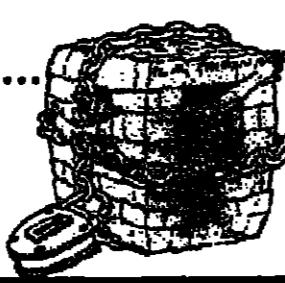
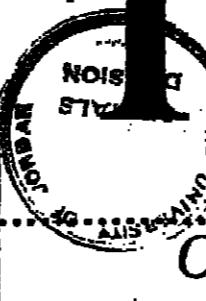


# Weekend FINANCIAL TIMES

Weekend FT  
Prisons—  
right or wrong?  
SECTION II



The world's most  
expensive coffee



On the wicked  
side of Everest  
9391

World Business Newspaper

WEEKEND JUNE 1/JUNE 2 1996

## Bulgarian bank may default on bonds worth Y5bn

The likelihood of a default on Y5bn (\$47m) in bonds issued by Bulgaria's Mineralbank increased sharply when Dimitar Kostov, Bulgaria's finance minister, said that the government was under no obligation to cover the bank's debts. The default would come as a shock to Japanese investors who have been heavy buyers of yen-denominated bonds issued by foreign borrowers over the past year. Page 24

**France Television chief resigns:** The head of France Television, controller of the country's two public broadcasting networks, resigned after growing public criticism. Page 24

**Schering:** The German pharmaceuticals company, is set to expand its fertility and hormone division after announcing it was buying a 74.9 per cent stake in Jenapharm, eastern Germany's only profitable pharmaceuticals group. Page 8

**Italian PM wins final confidence vote:**

Romano Prodi (near left) embraces other ministers after his government won a vote of confidence from Italy's lower house of parliament, completing the process of parliamentary approval. The prime minister promised to accelerate the announcement of a mini-budget for 1996. The Bank of Italy warned Mr Prodi it would not cut interest rates unless the new government cut the country's budget deficit. In an address to the central bank's annual assembly, Antonio Fazio, the governor, also forecast that Italian economic growth could have to leave 1.5 per cent this year, lower than official forecasts. Page 2

**Siemens of Germany expects to triple its business in the Spanish telecommunications equipment sector as a result of an agreement signed with Spain's Amper group. Page 8**

**Royal Bank of Scotland** has exercised options to purchase a further 1.04m shares in Banco Santander for \$21m (\$47m) taking its stake in Spain's largest banking group to 4.94 per cent. Page 8

**KHD is upbeat on survival prospects:** Klöckner-Humboldt-Deutz, the German engineering group facing bankruptcy after the discovery of losses of DM500m (\$424m) last week, said it was "making good progress on a rescue bid". Page 8

**Wall Street fall hits UK equity market:**

A late fall in US markets sent shares in London tumbling as inflationary fears grew. The FTSE 100 share index lost its trade-in takeover premium to close flat on the day and down on the week. Gilt, which had been up half a point earlier in the day, lost half of their strength. Then FTSE futures were sold back. The index ended 1.1 points up at 3,747.8, down 4.3 points on the week. Source: Reuters

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**Albanian parties begin hunger strike:** Albanian opposition parties began a hunger strike in protest at last weekend's general elections, alleging ballot-rigging and violence. Page 2

**Switzerland is considering its next move in the aeronautical battle with BAA for control of the duty-free operations of Alders, the department store group. Page 7**

**Timothy Leary dies:** Timothy Leary, Harvard professor, author, lecturer and former prison inmate, died in the US, aged 75. He had cancer. Leary gained fame and infamy in the 1960s for his experiments with psychedelic drugs. The progress of his illness was reported through his home page on the Internet, which recorded his death. Page 3

**Russian train crash kills 50:** About 50 people were killed near the western Siberian city of Kemerovo when four freight cars broke loose from a train and crashed into a passenger train.

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Peres ousted as prime minister by tiny margin ■ Arabs fear brake on peace process

## Netanyahu wins Israeli elections

By Julian Ozanne in Jerusalem

Wednesday's election compared with 4.5 per cent for Mr Peres, a water-thin victory margin of a 23,500 votes. The result will not be official until published in the government gazette on Thursday.

In spite of his narrow victory, the new Israeli system of direct elections of the prime minister should make it easy for 46-year-old Mr Netanyahu, Israel's youngest premier, to create a comfortable majority in the 120-member parliament. Mr Netanyahu is expected to form a government with a Russian immigrant party and religious and ultra-orthodox Jewish parties, the big winners in the separate ballot for parliament.

The central elections committee said Mr Netanyahu won 50.4

percent of the 3m votes cast in

Mr Peres telephoned Mr Netanyahu, congratulated him and promised him a smooth transition although the veteran Labour party leader, who was awarded the Nobel peace prize, vowed to fight any move which would help to forge the Middle East peace process he had helped to forge.

US president Bill Clinton, who backed Mr Peres in the election, also telephoned Mr Netanyahu to congratulate him and invite him to the White House as soon as he has formed a government — a

process which must be completed within 40 days. Mr Netanyahu yesterday visited Jerusalem's Western Wall, Judaism's holiest site, to give thanks for his victory but was silent on the future politics of his government.

However, other senior Likud party officials gave a taste of what is to come.

Mr Ariel Sharon, tipped as

Mr Netanyahu's next finance minister, said he would not meet Palestinian president Yasser Arafat, who he described as a "murderer" and

was implemented. The platform

opposed a Palestinian state, any negotiations on the future of Jerusalem and said a free rein

would be given to Israel's security forces in Palestinian areas.

Mr Ahmed Qurei, Palestinian

architect of the peace accords, said that if the Likud policies

were implemented, "the region will return to a state of tension

and violence, maybe wars".

He said the PLO had to re-evaluate its negotiating strategy

towards Israel.

Syria said Mr Netanyahu

should be persuaded to drop his

total opposition to returning the

Israel-occupied Golan Heights in

exchange for peace.

## Japan, S Korea told to co-host the World Cup

Unprecedented decision forces sharing of 2002 football contest

By Jimmy Burns in Zurich,  
Emilio Terazona in Tokyo and  
John Burton in Seoul

South Korea and Japan, the two contenders to stage the 2002 World Cup, were told yesterday to co-host the event after a revolt within the executive committee of Fifa, the governing body of world football.

The unprecedented decision would force the two historically antagonistic countries to share the responsibilities and the revenues of world football's premier competition. It was also an embarrassment for Mr John Havas, Fifa president, who had backed Japan's bid.

At an emotional press conference at an hotel near Fifa's Zurich headquarters, Japanese and South Korean officials embraced. But in Tokyo, Japanese officials

described the co-hosting move as unfair and foresaw serious disputes over which country would host the opening ceremony and the final.

Mr Chung Mong Joon, the South Korean delegation head and a Fifa vice-president, said that in addition to co-operating with Japan, he planned to involve North Korea in staging some of the matches to break down political barriers separating the countries.

President Kim Young-sam of South Korea sent a congratulatory message to the Fifa executive committee and said the World Cup would "serve as an occasion to further solidify the friendly relations between Korea and Japan".

The decision will also force Fifa to begin new negotiations on broadcasting rights for the 2002

World Cup. Earlier this year, initial offers were invited from interested parties on the assumption that the competition would be staged in one country. The co-hosting option had gathered momentum in a series of secret meetings of Fifa executive committee members in Zurich this week prior to today's planned announcement on the

World Cup site. The revolt was spearheaded by Mr Lennart Johansson, another Fifa vice-president and head of Uefa, and a majority of the 21 member executive committee to generate a challenge to the long-running presidency of Mr Havas, whom they consider autocratic and undemocratic.

Mr Johansson described yesterday as "the beginning of a new

era. A day of democracy for Fifa." Another Fifa executive who did not want to be named said that Mr Havas had suffered a "devastating personal blow" and serious damage to his campaign for re-election as president in 1998.

IMG in running for Olympique Marseille, Page 2

## N Ireland politics shaken by Sinn Féin election success

By John Kampfner and John Murray Brown in Belfast

resented a boost for the party most vehemently opposed to the holding of elections.

The most ardent advocates, the Ulster Unionists, suffered the biggest setback, although they remained the largest party with 24 per cent, just ahead of the moderate nationalist SDLP on 21 per cent, and the hardline Democratic Unionists who gained 19 per cent.

Pressure will intensify on British and Irish ministers to allow Sinn Féin to participate. They will meet next Tuesday in a further attempt to agree an agenda for the round-table discussions which could produce a new constitutional settlement for the province. Mr Adams said on Thursday that he short of a settlement that fell short of the

republican goal of a united Ireland.

Several key political figures in Northern Ireland acknowledged that Sinn Féin's strong performance would make almost impossible any search for a peace deal that excluded Mr Adams's party.

The UK prime minister, Mr John Major, reacted to the results by underlining there would be no change in the position agreed by London, Dublin and Washington that a ceasefire remained essential.

The 110-seat forum will comprise 10 parties. Each of them will send delegations to the

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FT-SE 100: 3,747.5 Yield: 4.0%	5.1%	New York lunchtime: £ 1.5523
FT-SE Eurotrack 100: 1,687.05 Yield: 4.19%	67.71	3-m Treasury Yld: 5.165%
FT-SE All-Share: 1,985.70 Yield: 6.64	67.71	Long Bond: 5.171%
Dow Jones Ind Av: 5,944.85 S & P Composite: 687.65	(48.78) (4.04)	Yield: 6.998%
NYMEX: 61.5%	16.10	DM: 2.3886 (2.3515)
London: \$322.25	(397.0)	FFR: 8.0205 (7.9547)
London: £ 1.5523	£ 1.5549 (1.5548)	DM: 1.9275 (1.5323)
London: Ft 1,074.75	Y: 1.9402 (1.9313)	FFR: 5.1785 (5.1887)
London: SFr 1,262.25	SFr 1.2622 (1.2588)	Y: 1.0610 (1.0765)
London: Y 108.00	Y 108.00 (107.65)	S: 97.90 (97.90)
London: Y 105.37	Tokyo close: Y 105.37	Y 105.37

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## NEWS: EUROPE

Central bank chief says economic growth could halve to less than 1.5% this year

## Italian PM warned to cut budget deficit

By Andrew Hill in Milan

The Bank of Italy yesterday warned Mr Romano Prodi, Italy's new prime minister, that it would not cut interest rates unless the new government cut the country's budget deficit.

In his address to the central bank's annual assembly, Mr Antonio Fazio, the governor, also forecast that Italian economic growth could halve to less than 1.5 per cent this year, lower, than official forecasts.

Mr Prodi's government yesterday won a vote of confidence from Italy's lower house of parliament, completing the process of parliamentary

approval. The prime minister promised to accelerate the announcement of a mini-budget for 1996. "We must go to the European summit in Florence on June 21 with a precise budget strategy," Mr Prodi told deputies.

By tradition, members of the government do not attend the bank governor's address, one of the most important economic appointments of the year. But the speech sent a stark message to the new administration, which includes Mr Fazio's predecessor, Mr Carlo Azeglio Ciampi, as treasury and budget minister.

Mr Fazio suggested that Italy might overrun its target for a budget deficit

of L110,000bn (\$70.5bn) this year by as much as 1 per cent of GDP. Economists said that would imply a corrective mini-budget of between L17,000bn and L20,000bn, more than the incoming government had considered necessary.

"Severe but credible objectives, for this year and for 1997, are essential for the balance of the financial markets and for a further reduction in interest rates," Mr Fazio said.

Since the centre-left's election victory on April 21, equity investors have been hoping for a cut in the official discount rate, which stands at 9 per cent.

But Mr Fazio told his audience of 2,500 Italian bankers, entrepreneurs and trade unionists that inflation, still running at more than 4 per cent in April and May, remained the main target of monetary policy.

To the irritation of the industrialists present, Mr Fazio laid part of the blame for inflation at the door of Italian companies, which he said had maintained profit margins at near-record levels, even though demand was now flagging and the lira was strengthening. "The vicious [inflationary] circle, which affects employment and investment, can and must be broken, with a halt to inflation and, as

happens in other countries, widespread price reductions," he said.

Economists and the lira were stable following the speech and the release of provisional GDP figures for the first quarter, which showed annual growth of 1.2 per cent.

Analysts said that although the governor had lowered hopes for short-term interest rate cuts, a rigorous policy was good for the long-term outlook and for the lira. Mr Bruno Rovelli, an economist with Bank of America in Milan, said: "The fact that the Bank has set a very tough inflation target of less than 3 per cent for next year is positive."

## IMG in running for Olympique Marseille club

By Jimmy Burns in Zurich and Andrew Jack in Paris

The International Management Group of sports entrepreneur Mr Mark McCormack is one of two candidates likely to take control of the scandal-ridden French football club Olympique Marseille.

The club's future has been in doubt since the bankruptcy in April last year of the company which controlled it and since the French businessman and politician Bernard Tapie, who controlled the company, was found guilty of charges of match-fixing.

Olympique Marseille confirmed last night that IMG was one of two purchasers being seriously considered in a move which could take place within the next few weeks. The other is Tati, a French textiles group. However, the club stressed the final decision had not been taken, and rested with Mr Jean-Claude Gaudin, the city's mayor.

Control of the football club, which was acquired by Mr Tapie in 1991 and generated liabilities of FF130m (£65m), was temporarily passed into a special company last May following a commercial court ruling. The city of Marseille holds just over half the capital with other stakes held by the regional council and by several business groups.

The offer for the club by IMG forms part of a calculated strategy to extend the company's worldwide sporting interest into the hugely profitable and growing business of European football.

While the group's marketing and TV interests span several sporting activities, its football interests have until now been focused on the Far East and South America.

Mr Eric Drossard, IMG's senior vice-president, said his

company was "very interested" in acquiring the club in time for the 1998 World Cup in France, as he hoped this would more than justify the investment that the company will have to make in the acquisition of new players.

The Marseilles stadium is being refurbished and expanded with funds from the French government and will be one of the main venues for the 1998 World Cup.

### Company wants to acquire club before 1998 World Cup

IMG expects that it would have to invest at least FF100m in rebuilding the team as one of the top European clubs.

It is understood that the deal to acquire the club will be concluded within the next two weeks, after the completion by IMG of a due diligence report on the club and final meetings with officials in Marseille.

Olympique Marseille was passed to the French first division last month, after being twice relegated by the football authorities following its bankruptcy and charges brought against Tapie for bribing the rival French team of Valenciennes to lose a qualifying match for the European cup in 1993.

Reuter adds: Tapie was sentenced yesterday to six months in prison and banned from running a business for 10 years in the management of his luxury yacht Phœnix.

He was found guilty of tax fraud, abuse of company assets and bankruptcy.

He also received a total of 3½ years in suspended jail sentences.

## French economy rebounds strongly

By David Owen in Paris

The French economy rebounded strongly in the first quarter, with gross domestic product rising by 0.2 per cent. "The second quarter will be much less good," said Mr Olivier Elie, an economist with Crédit Lyonnais in Paris. He said French households would continue to be "prudent" in their spending.

Many economists, nonetheless, revised up their forecasts of GDP growth for 1996 as a sign that "a clear recovery" was in process.

He highlighted what he called the "new progression" in foreign trade, the country's low inflation and the "unprecedented" reduction in interest rates.

But economists were more cautious, saying second-quarter

growth was likely to amount to no more than 0.1 or 0.2 per cent. "The second quarter will be much less good," said Mr Olivier Elie, an economist with Crédit Lyonnais in Paris. He said French households would continue to be "prudent" in their spending.

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According to Insee, the national statistics agency, the positive first-quarter result was due in part to the negative effect of December's strikes on fourth-quarter 1995 figures. In addition, the winter cold snap had brought an unexpectedly high 7.8 per cent increase in energy production. And the unusually high number of working days was responsible for "about half a point of growth".

Economists drew encouragement from the strong 3.1 per cent quarter-on-quarter increase in industrial investment, although some expressed doubt that this would continue.

But they interpreted the steep reduction in stocks, without which first-quarter growth could have reached a highly impressive 2 per cent, as a negative sign. Ms Patricia Lormeau, a Paris-based economist for Paribas, said it suggested companies did not expect the improvement in demand to continue.

Car sales were particularly strong, with a quarter-on-quarter increase of 15.7 per cent, after a 0.3 per cent decline in the fourth quarter of 1995.

First-quarter exports (up 3.3 per cent) rose faster than imports (up 1.8 per cent).



Boris Yeltsin: embodies distinctly Russian contradictions

## Comeback kid rising in polls

Boris Yeltsin is all things to all men, writes John Thornhill

**M**r Joseph Brodsky, the wry Russian poet, once wrote: "Ambivalence, I think, is the chief characteristic of my nation." If so, President Boris Yeltsin must surely rank as his country's most natural politician.

It is the astonishing, and distinctly Russian, contradictions that the man embodies – combined with his ferocious will – which make him such a formidable and flexible campaigner in the contest for the presidential office on June 16.

In a blur of activity this week, the silver-haired Mr Yeltsin demonstrated his political skills to the full.

On Monday, he styled himself as a peacemaker when signing a ceasefire agreement with the Chechen resistance leader in the Kremlin, the president's former press secretary, wrote in a controversial book earlier this year. "His ideology, his friend, his concubine, his mistress, his passion, is power."

Many political observers dismissed Mr Yeltsin as a spent political force last December as he lay in hospital and languished in the opinion polls with an approval rating of just 6 per cent. The war in Chechnya, the pain of economic reform and the corruption that encrusted his government seemed to have irretrievably sunk his electoral chances.

Such stark contradictions have typified Mr Yeltsin's political career. The former Communist party hack, who

But through a phenomenal

effort of will Mr Yeltsin has reinvented himself yet again, and it now appears distinctly possible that the 65-year-old politician, who has already lived six years longer than the average Russian man in spite of two serious heart attacks, can yet persuade his compatriots that he represents the best hope for their future.

Mr Lev Sukhanov, a close assistant who has stuck with Mr Yeltsin through thick and thin, is confident the president will have his bear-like right paw.

And the man who flew to the Baltic states in the dying days of the Soviet Union to defend the sanctity of small nations, has ruthlessly crushed the independence aspirations of Chechnya in a brutal war which has killed at least 30,000 people.

"Yeltsin does not have any personal democratic ideology," Mr Vyacheslav Kostikov, the president's former press secretary, wrote in a controversial book earlier this year. "His ideology, his friend, his concubine, his mistress, his passion, is power."

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### INTERNATIONAL NEWS DIGEST

## Klaus favoured in Czech poll

The Czech Republic's 8m voters went to the polls yesterday at the start of two days of voting in parliamentary elections – with the outgoing prime minister, Mr Václav Klaus, strongly favoured to win another four-year term.

The early turnout was heavy in Prague as people cast their ballots before heading for the country, as many do each weekend. Polling stations remained open until 10pm last night and voting continues today between 7am and 2pm. Initial results are expected early tonight.

One of the first to vote was President Václav Havel, who said he was "moved" by the many choices voters had before them and described the election as "a celebration of democracy". Voter turnout, among 16 parties, though only six are likely to exceed the 5 per cent threshold required to get into parliament.

Opinion polls have shown Mr Klaus's Civic Democratic party (ODS) with the support of 26 per cent of the electorate and it should again be the biggest party in the 200-seat parliament. The prime minister has campaigned strongly on the theme of continuity after four years of economic reforms that have maintained social peace. The main opposition Social Democrats, with 22 per cent, look set to strengthen their position considerably but are unlikely to be able to form a left-leaning government.

Vincent Boland, Prague

### Berlusconi cousin arrested

Mr Giancarlo Foscale, cousin of Mr Silvio Berlusconi and deputy chairman of Fininvest, the former Italian premier's private company, was arrested yesterday as Milan magistrates deepened their investigation into corruption allegations.

Mr Guido Viola, Mr Foscale's lawyer, said his client was alleged to have bribed a manager of Isvelme, the medium-term lending arm of Banca di Napoli, in return for a preferential loan to a Fininvest finance subsidiary. He said Mr Foscale, who is also chairman of Standa, Fininvest's supermarket chain, was prepared to "clarify the events in question, as far as he remembered them". A former Isvelme manager was arrested on Thursday night in connection with the same episodes.

One of Fininvest's senior defence lawyers said yesterday that the Isvelme operation was "entirely normal". The arrest of Mr Foscale may further hamper Fininvest in floating Mediaset, the television and advertising subsidiary on the Milan stock market, even though he has no direct links with the company.

Advisers say Mediaset is insulated from the probe into alleged falsification of accounts at Fininvest. Consob, the financial watchdog, is likely to decide next week whether to approve Mediaset's prospectus and clear the way for flotation this month.

Andrew Hill, Milan

### US judge orders extradition

A US federal judge in Los Angeles yesterday ordered Mr Giancarlo Parretti, the Italian businessman, to be extradited to France on an international arrest warrant issued against him a year ago. Mr Parretti was arrested in Los Angeles last October in response to the warrant, which alleges charges of abuse of corporate funds, forgery, fraud and deception in relation to the \$1.3m takeover of the MGM film studios which he orchestrated in 1990.

He had previously been living in Rome, ignoring demands to appear before French investigators and extradition requests from both the French and US authorities.

Mr Parretti bought MGM from Mr Kirk Kerkorian, the US financier, largely as the result of a loan from CLEN, the Dutch subsidiary of Crédit Lyonnais, the French state-owned bank. Mr Patrick Pieliet, the French investigating magistrate, began inquiries into the circumstances of the MGM deal, including charges against Mr Parretti, in 1991.

Andrew Jack, Paris

### Hungarian managers dismissed

Hungary yesterday took the unusual step of sacking the entire management and supervisory boards of Antenna Hungaria, its national radio and television transmission company.

APV, the state privatisation agency, said the decision would take effect immediately in the interests of the company's speedily privatised.

A tender for the company last year attracted just one, low bid while attempts to hold new tenders this year have failed. The management is believed to have opposed rapid privatisation, preferring a capital injection from the state, and also differed with APV over other aspects of strategy.

Under a media bill passed last year, the company is supposed to extend its transmission capacity to support new private radio and TV stations. But this has been held up by delays in finding a strategic partner for Antenna and the company's own limited resources.

Media liberalisation and the sale of existing frequencies for two TV channels are among the most important reforms on the government's agenda this year. Although Hungary was the pioneer of market-led reforms in the former eastern bloc, it has lagged well behind other countries in privatising TV and radio.

Virginia Marsh, Budapest

### Japan soothes US on insurance

The Japanese government yesterday said negotiations would continue with the US over deregulation of the Japanese insurance market despite the two countries' failure to reach agreement by today's deadline.

US officials have indicated they will take tough action if Japan's powerful life insurance companies are allowed to handle accident insurance through subsidiaries. Washington would consider that to be a violation of a 1984 agreement, a US trade official said. The US had said many times that such a violation would require a "very serious response", he warned.

Washington claims entry of life assurance companies into the accident insurance sector would be a "radical change in the business environment" in violation of the 1984 pact. Japan had agreed to avoid "radical" changes when deregulating this sector, where foreign insurance companies have carved themselves a profitable niche.

Michio Nakamoto, Tokyo

### Doubts on HK growth target

Hong Kong's economy in the first quarter was up about 3 per cent on a year earlier, according to an

PLO leader Arafat branded a 'murderer' and 'war criminal'

## Likud's top officials bare their teeth

By Julian Ozanne in Jerusalem

Mr Ariel Sharon, a senior leader of Israel's rightwing Likud party, yesterday gave a chilling first glimpse of how a future government under Mr Benjamin Netanyahu, the party's leader, would deal with Palestinians.

In a long interview on Israel Radio, Mr Sharon, tipped as the country's next finance minister, said under no circumstances would he meet Palestinian president Yasir Arafat, whom he described as a "murderer" and "war criminal".

He also said Israel would not complete its long-delayed military withdrawal from the Israeli-occupied West Bank town of Hebron, a flash-point of Arab-Jewish violence. Under the "Oslo 2" peace accord, co-signed by the US, Israel committed itself to withdrawing from Hebron three months after Palestinian elections held last January.

Mr Sharon's comments came hours before Mr Netanyahu emerged as Israel's next prime minister after a final tally of outstanding ballots. Earlier, Mr Uzi Landau, a Likud member of parliament, also said a Netanyahu government would not withdraw from Hebron, where 45 Jewish settlers live in an Arab town of 110,000.

The first policy statements by senior Likud officials after the election provoked a furious response from PLO officials and advisers.

Mr Ahmed Tibi, adviser to Mr Arafat, said Mr Sharon, the former defence minister, who presided over Israel's disastrous 1982 invasion of Lebanon, was the real "child murderer" and warned that if Mr Netanyahu refused to withdraw from Hebron it would mark a violation of the peace agreements and open the way to confrontation.

Mr Ahmed Qurei, the Palestinian architect of the peace accords with Israel, said: "It is worrisome that Netanyahu will be surrounded by a team hostile to the peace process." The PLO, he said, rejected the

Likud election platform and it was put into practice it would amount to a "coup d'état against peace", which would send the region back to "state of tension and violence, maybe wars".

Political analysts said the sharp exchanges were reminiscent of the insult-trading during decades of Israeli-Palestinian conflict.

Mr Netanyahu has indicated he alone will set the policies of the next government. But Mr Sharon, who received the second highest number of votes in Likud primaries in March, speaks for a wide section of the party.

He dropped his candidacy for prime minister and was critical in brokering an agreement between factions rightwing groups to join a united front behind Mr Netanyahu's candidacy.

Akif said he would meet Mr Arafat, the former general who was held indirectly responsible by an Israeli inquiry for the slaughter of hundreds of Palestinian refugees by Christian militiamen at Beirut camps in 1982, said: "Arafat is a murderer that murdered intentionally, with premeditation, children, babies, women and elderly people. The most brutal acts of massacre that no nation in the world would forgive. Arafat, according to every criteria, is a war criminal... I will not shake the hand of this murderer."

Mr Sharon also said Mr Arafat indirectly supported Palestinian attacks recently carried out by extremist Islamic fundamentalists.

"We know exactly what his intentions are, what he used to do, how he acted. And in my opinion we absolutely must prepare for when he will continue to stand behind attacks."

On withdrawal from Hebron, Mr Sharon said Israel would maintain absolute control over the parts of the city settled by Jews. "Here, under discussion is a small part of the city, but a part in which Jews have lived for thousands of years. And the overall security responsibility will be in the hands of Israel."

Leary's Internet home page announces his death

## Timothy Leary, 1960s messiah of LSD, dies

By Christopher Parkes  
in Los Angeles

Timothy Leary, the 1960s guru whose formula for living - "turn on, tune in, drop out" - inspired despair and enlightenment in unequal measures, signed off yesterday.

"Timothy has passed..." his Internet home page announced in turquoise script on a black background.

Internet users, many of whom had been tapping in on his site each day to eavesdrop on his debates with death, yesterday discovered little enlightenment beyond a picture of the late Leary, 75, gaunt and grizzled, puffing unrepentant on a cigarette of uncertain provenance.

"I am developing methods and technologies to delay the ultimate onset of pain, coma, helplessness, and indignity which await," he wrote in his last available personal commentary on his condition, dated May 16. "High-tech designer dying is occupying most of my time."

Although confined to a wheelchair by his cancer, and rendered "mellow and high" by a daily cocktail of prescription drugs and illegal substances, Leary reported himself in good spirits. "Probable cause: I treasure the moments of mobility, dexterity, friendship and mental clarity," he wrote.

His diet of "neuro-active drugs" may also have played a role. According to his final summary, his average daily intake of legal substances included 30 cigarettes, half a cup of coffee, one glass of white wine, half a glass of tequila and prescription painkillers.

This was topped off with

marijuana in the form of one Leary Biscuit (recipe censored) and one bong (pipe) hit, half a line of cocaine, 16 blasts of nitrous oxide and 0.15cc of psychotropic ketamine.

A former Harvard psychology professor, fired in the early 1960s for testing LSD on students, Leary spent much of his adult life tripping and bragging about his tolerance for drugs.

Starting out as the "Messiah of LSD", he evolved - with interludes as jailbird, fugitive and kidnap victim - to become chief dope dealer and darling to many American aristocrats and society folk.

His coterie included drugfaced pop stars, Hollywood hangers-on and writers such as Jack (On the Road) Kerouac, William (Howl) Ginsberg, William (Naked Lunch) Burroughs, and Aldous Huxley. He also had five wives.

Leary died in his sleep in his brave new world - hilltop villa in California's Beverly Hills, home to the fabulously rich - having failed to fulfil two of his last ambitions.

In his final weeks he had discussed committing suicide in cyberspace, while logged on to the Internet.

He also contemplated having his head frozen after death, but reportedly dismissed the notion when he realised that, if revived, he would most likely spend eternity as the prisoner of scientists armed with clipboards.

Apart from his memory and his "turn on" mantra, Leary leaves behind a video film of his death, taken at his behest. Another final request, that his ashes be launched into space, is expected to be fulfilled in the autumn.

## Japanese golf courses land in the rough

The expansive lawn of the Tsukuba Tokyu Club blends in neatly with the countless rice paddies and fruit orchards which dot the quiet university town where it is located at the foot of Mount Tsukuba, just north of Tokyo.

But the peaceful surroundings belie the unhappy fate the club has faced in recent years.

More than a fifth of its corporate members have left as recession has taken its toll on costly corporate entertainment and the expensive personal lifestyles that were so popular in Japan during the years of the "economic bubble".

What is worse, Tsukuba Tokyu has had to pay out a total of nearly Y2.7bn (\$25.7m) in deposit refunds to its former members and could face demands for refunds from their members.

In the late 1980s, building a golf club seemed a solid business prospect, given Japan's golf-loving population. Many developers funded their club developments by selling memberships at astronomical prices, commonly as high as Y50m (\$464,000).

To encourage prospective

members, a large part of the membership fee was designated a deposit which could be

incurred by the country's troubled housing loan companies, or *jusen*. While it is unlikely the entire amount will have to be refunded, as many golfers will want to keep their memberships, Mr Seijiro Takayama, a lawyer who has worked with many golf clubs, estimates that between the years 2000 and 2004 refunds are likely to exceed Y1.00bn a year.

The problem stems from the "bubble" years, when large numbers of companies went into golf club development. According to the Miti report, 80-100 clubs were opened between 1988 and 1991. More

than 70 per cent of the 1,954 golf clubs which responded to the Miti survey have memberships, and of these, 80 per cent could face demands for refunds from their members.

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To encourage prospective members, a large part of the membership fee was designated a deposit which could be

reclaimed after, typically, 5-15 years. In some cases, the deposit made up about 90 per cent of the membership fee.

For golf club developers, particularly newcomers, the system allowed them to collect the huge sums needed to develop courses in Japan, where land is prohibitively expensive.

Whereas in the US it takes about 500m to build a golf course, according to Mr Takayama, this figure rises to at least Y1.00bn in Japan.

In the past, members seldom asked for their deposit back. While the Japanese economy was growing, golf club mem-

berships could usually be sold on at significant profits.

But now expensive memberships are no longer a corporate necessity and the number of members has plunged.

Most people bought memberships as an investment; in the dizzy "bubble" years these were even accepted by banks as a form of collateral.

But now, with Japan muddling through an uncertain recovery and membership prices unlikely to rise significantly in the near term, these speculators are demanding their deposits back.

Few people expect the clubs

to be able to repay in full. Mr Takayama believes that of the clubs which sprang up during the "bubble" years, only a handful will be able to pay back members' deposits.

Most clubs have no cash.

What is more, about a third of developers are believed to have used membership funds to speculate on the stock market and elsewhere.

Several clubs have already

been forced to file for bankruptcy and there is concern that more will collapse as deposit refunds come due.

Some clubs have asked members to accept repayment in instalments over several years, while others have split memberships so that members can sell part of them on the market - albeit at a significantly lower level than the original price - and still play at the club.

Most observers expect a bitter, drawn-out battle between clubs and their members.

Mr Takayama suggests the

government could use part of its funds allocated to deal with the ageing of society to buy up

troubled golf clubs and make them municipal clubs open to the public.

But given the distaste shown

for government bail-outs, even

the thought of playing golf on

the cheap may not convince

the Japanese public.

Michiyo Nakamoto

## WOMEN JOB SEEKERS BOOST UNEMPLOYMENT

An unexpected rise in Japan's unemployment rate in April, to a record 3.4 per cent, is likely to reinforce the central bank's commitment to keeping interest rates low, writes William Dawkins in Tokyo.

Mr Takanobu Nagai, labour minister, yesterday said the job situation was still

"severe," but attributed the rise, from 3.1 per cent in March, to a sudden growth in the number of women seeking employment in expectation of economic recovery.

Private sector economists were not disturbed and pointed out that employment tended to lag general economic growth, which is gathering pace according to housing and construction data released yesterday.

The jobless rate was stuck at 3.4 per

cent from November until January, before falling fractionally in the following two months. The overall jobless total rose by 0.8 per cent, or 210,000 people, to 2.35m in the year to April, according to the government's management and co-ordination agency. That was twice the annual rate of increase in March.

Within this, the number of women out of work rose by 60,000 from March to April, to a total of 320,000. The female jobless rate rose by one percentage point over the same period to a record 6.1 per cent.

But the young of both sexes remained the hardest hit, with unemployment among 15-24 year olds rising 0.6 percentage points over the year, to 7.2 per cent.

While the labour market remained

weak in April, there were signs of recovery. There were just 67 jobs available per 100 applicants, the same as the previous three months, but growth in new job offers accelerated sharply, from 2.6 per cent in the year to March to 12.6 per cent in the year to April.

Separately, the construction ministry said housing starts rose by 12.3 per cent in the year to April, the second consecutive monthly rise and the fastest growth rate in 22 months.

As economic activity picks up, deflation, a threat to the economic recovery last year, continues to recede, on the evidence of consumer price data published yesterday. Tokyo consumer prices - the earliest available - rose 0.2 per cent in May from the same month last year.

## Windows 95

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## NEWS: UK

The EU crisis: Government's drive against 'mad cow' curbs to include blocking of measures which it supports

## Ministers set to reject easing of ban

By Caroline Southey  
in Brussels

Farm ministers of the European Union are likely on Monday to reject the European Commission's proposal for early removal of the ban on exports of beef by-products from the UK. Such a move would force the Commission to impose the measure unilaterally.

Seven countries voted against the proposal at a meeting of EU veterinarians 10 days ago. EU diplomats said there were no indications that the countries which voted then

against easing the ban - Germany, Austria, Spain, Portugal, the Netherlands, Luxembourg and Belgium - would change their minds on Monday and vote to ease the embargo.

"Many countries have not taken their final decisions yet, but there appear to be no indications that anybody will change their positions," a British official said.

If the proposal is voted down by farm ministers early next week, responsibility for implementing it will fall to the Commission. "Obviously we would prefer the council to vote the measure through, but if they

don't we will fulfil our responsibility," a Commission official said. Separately, there was growing evidence that negotiations were well under way on a framework agreement under which the broader ban would be lifted.

The two conditions laid down by Mr John Major, the British prime minister, as necessary precursors to Britain ending its policy of non-co-operation are a lifting of the by-products ban and a framework agreement on ending the wider embargo.

British officials said Mr Malcolm Rifkind, the British for-

mer sign secretary, was likely to present the outline of a plan targeting areas where the ban could next be lifted to Mr Jacques Santer, president of the European Commission, when they meet in Brussels on Tuesday.

Details of the framework agreement are being debated by British and Commission officials. Britain has proposed that one priority in the next phase of easing the embargo should be to give Britain the go-ahead to export to non-EU countries which are banned from re-exporting beef and beef products to the EU.

A second area would be to allow Britain to export meat from calves born after a particular date and beef from grass-fed herds. "This last one would be more difficult to negotiate as we would have to agree the criteria of how to define these herds and then a programme of policing," a British official said.

EU officials said member states appeared receptive to the idea of a framework under which a "causal relationship" was established between certain products and measures Britain had to take to ensure the safety of the products.

## Baby milk companies welcome all-clear

By James Birtz  
in London

Manufacturers of baby milk yesterday expressed delight that the European Commission had ended a week of frenzied speculation over the quality of their products by stating that they posed no risk to health.

Having studied test results by the UK agriculture ministry on nine brands of formula milk, Commission researchers said there was "no reason" to anticipate any risk to babies consuming the products. The report has been passed to the 15 European Union governments, but none has so far expressed any concern over the issue, Commission officials said.

Having studied test results

### UK NEWS DIGEST

## Doubts on Facia future deepen

Doubts about the future of Facia Group, the UK's second largest privately owned retailing chain, increased last night after Sears, Britain's largest specialist retailer, moved to have Facia's three companies put into administration. Sears said that Facia, chaired by Mr Stephen Hincliffe, had failed to convince it that it could "adequately refinance and discharge its outstanding and ongoing debts" to Sears. The company said that it expected a ruling on its petition next week.

Sears also announced that it expects to make a provision of £25m (£38m), on top of an earlier provision of £12m, to cover the cost of properties it had planned to sell to Facia and others, rent due from Facia, and stock it has supplied to Facia. Facia's £50 million specialty outlets include Freeman Hardy & Willis, Trueform and Contessa which were sold to it by Sears. Last night Facia refused to comment on the move by Sears and also refused to state what percentage of its overall business the shoe shops represent.

Sears said that its move followed the announcement by the Department of Trade and Industry that it would be commanding directors' disqualification proceedings against Mr Hincliffe and Mr Christopher Harrison, another Facia director, in connection with the collapse of a company they had controlled shortly before its failure.

Separately, it emerged yesterday that the chief executive officer of the small US company attempting to take over Facia is a bankrupt. Mr Bill Grosvenor, chief executive officer of Texas American Group, said he had been declared bankrupt in the UK in October 1994. TAG is on the bulletin board of the Nasdaq exchange, but Mr Grosvenor said that legal advisers had informed him that being bankrupt "does not stop me being an officer of an American company".

Earlier this week, UK ministers came under pressure to reveal the names of the brands after they were all said to contain phthalates, a series of chemicals that can reduce fertility. The Commission then requested to see the report under an EU "rapid exchange of information" system for possible health threats.

Several of the UK's leading baby milk manufacturers said they were delighted that concern over the issue appeared now to have been finally put to rest by the Commission's statement.

It is reassuring to hear someone else confirming what we have thought all along, that there is nothing wrong with any of these brands," said Mrs Helen Messenger, head of corporate affairs at Milupa, one of the four main manufacturers of formula milk.

Aides to Mr John Major, the prime minister, yesterday quashed speculation that the Commission's verdict could be seen as a conciliatory gesture in the bitter struggle between the EU and London over British beef.

"It was a perfectly routine decision," said an official.

Other decisions likely to fall

covered proposals on

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of women in top jobs,

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FINANCIAL TIMES

Dear Reader,

Getting the FT to you at the right time each day is as important to us as providing you with the highest quality business news and comment. It is therefore important to know if we are doing this and where there is room for improvement.

Whether you are a regular or an occasional reader of the Saturday Financial Times, we would be grateful if you fill out this questionnaire and mail it to the FREEPOST address overleaf.

The results will be used by our editorial and marketing departments to improve the service we offer. We do **NOT** need to know your name or address and therefore the information received will not be used for any promotional reasons either by the Financial Times or any other company. It will be treated in the strictest confidence by FRAMEWORK, which is an independent research company. I would be grateful if you could send the questionnaire to Framework by 14th June.

Your co-operation is very much appreciated. Please remember no stamp is needed.

Yours sincerely,



PETER HIGHLAND  
RESEARCH DIRECTOR

### PART I - ABOUT THE FT

1. How often do you normally read or look at  
 a. The Saturday Financial Times? (both section I and II)  
 b. Monday-Friday issues of the Financial Times?

	a. Saturday Financial Times	b. Monday-Friday Financial Times
Always/almost always	<input type="checkbox"/>	<input type="checkbox"/>
Quite often	<input type="checkbox"/>	<input type="checkbox"/>
Only occasionally	<input type="checkbox"/>	<input type="checkbox"/>
This is the first time of reading the Saturday FT	<input type="checkbox"/>	<input type="checkbox"/>
Never	<input type="checkbox"/>	<input type="checkbox"/>

2. On what day(s) of the week do you  
 a. normally receive the Saturday FT?  
 b. normally read the Saturday FT?

	a. Receive Saturday Financial Times	b. Read Saturday Financial Times
Saturday	<input type="checkbox"/>	<input type="checkbox"/>
Sunday	<input type="checkbox"/>	<input type="checkbox"/>
Monday	<input type="checkbox"/>	<input type="checkbox"/>
Tuesday or later	<input type="checkbox"/>	<input type="checkbox"/>
Don't normally read Saturday FT (you may tick more than one day)	<input type="checkbox"/>	<input type="checkbox"/>

3. Where do you normally read the Saturday Financial Times?  
 At home   
 At work   
 When travelling   
 Don't normally read Saturday FT   
 (tick all that apply)

4. How do you normally obtain copies of the Saturday Financial Times?

Subscription to my home	<input type="checkbox"/>
Subscription to my office	<input type="checkbox"/>
Delivered by newsagent	<input type="checkbox"/>
Bought from news-stand	<input type="checkbox"/>
Personal office copy	<input type="checkbox"/>
Circulated office copy	<input type="checkbox"/>
Friends' copy	<input type="checkbox"/>
Given to me by airline	<input type="checkbox"/>
Given to me by hotel	<input type="checkbox"/>
Given to me by car hire company	<input type="checkbox"/>
Other (please state .....)	<input type="checkbox"/>

(tick more than one if appropriate)

5. How many other people normally read your copy of the Saturday Financial Times?  
 a. at home?  
 b. at work?

	a. At Home	b. At Work
1 other	<input type="checkbox"/>	<input type="checkbox"/>
2 other	<input type="checkbox"/>	<input type="checkbox"/>
3-5 other	<input type="checkbox"/>	<input type="checkbox"/>
more than 5	<input type="checkbox"/>	<input type="checkbox"/>
Don't know	<input type="checkbox"/>	<input type="checkbox"/>

6. The International edition of the Saturday Financial Times regularly contains two sections  
 Section I News  
 Section II Leisure Interests and Weekend Investor ('Weekend FT')

a. How often do you read each section?  
 b. Which section do you usually read first?  
 c. Which section do you tend to spend more time reading?

Section I  Section II ('Weekend FT')

a. When I read the Saturday Financial Times

I read this section ....	<input type="checkbox"/>	<input type="checkbox"/>
.... always	<input type="checkbox"/>	<input type="checkbox"/>
.... sometimes	<input type="checkbox"/>	<input type="checkbox"/>

b. I read this section first

c. I spend longer reading this section	<input type="checkbox"/>	<input type="checkbox"/>
.... never, normally	<input type="checkbox"/>	<input type="checkbox"/>

7. Which subjects do you read about in the Saturday Financial Times?

Usually read  Sometimes read  Never read

Section I

Front page news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
European news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other international news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UK news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Editorial comment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Editorial page feature	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International companies & finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Letters to the Editor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UK companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodities & Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Currencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managed fund prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
World stock markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
London Stock Exchange	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
London Share Prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lex column	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weather guide	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section II ('Weekend FT')

Front page feature	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joe Rogaly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Food & Drink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fashion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Book Reviews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International Arts Guide	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chess	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crossword	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interview	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How To Spend It	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gardening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Peter Aspden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weekend Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wall Street	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
London	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Barry Riley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Do you have preference between the Saturday Financial Times and the Monday-Friday Financial Times?  
 Which of these statements comes closest to your views?

I prefer the Saturday FT to the Weekday FT	<input type="checkbox"/>
I prefer the Weekday FT to the Saturday FT	<input type="checkbox"/>
I like both equally	<input type="checkbox"/>
I only know the Saturday FT	<input type="checkbox"/>
I only know the Weekday FT	<input type="checkbox"/>

9. It would be possible to distribute Section II of the Saturday paper, the "Weekend FT", either with the Friday Financial Times or with the Saturday Financial Times. Which arrangement would you prefer?

"Weekend FT" with Friday paper	<input type="checkbox"/>
"Weekend FT" with Saturday paper	<input type="checkbox"/>
"Weekend FT" in both Friday and Saturday papers	<input type="checkbox"/>
Does not make any difference	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

### PART II - ABOUT YOU

10. Are you ... ?

male  female

11. Are you ... ?

under 25	<input type="checkbox"/>
25-34	<input type="checkbox"/>
35-44	<input type="checkbox"/>
45-54	<input type="checkbox"/>
55-64	<input type="checkbox"/>
65+	<input type="checkbox"/>

12. Are you ... ?

working full time	<input type="checkbox"/>
working part time	<input type="checkbox"/>
retired	<input type="checkbox"/>
running the home full time	<input type="checkbox"/>
studying full time	<input type="checkbox"/>
unemployed	<input type="checkbox"/>
other	<input type="checkbox"/>

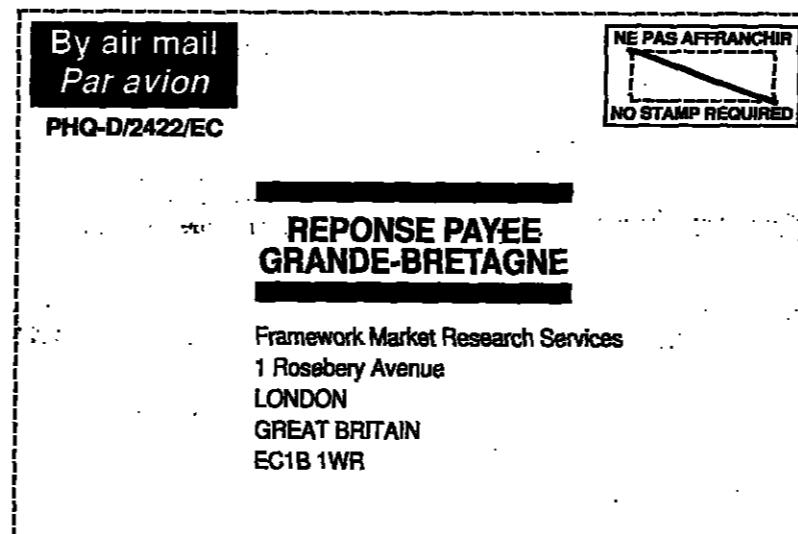
13. What is your country of residence?

14. What is your country of citizenship?

15. What is the principal activity of the organisation for which you work (or used to work)?

16. Which describes the position you hold (or held)?

Owner/partner		Middle Manager	



## COMPANIES AND FINANCE

## Lloyds TSB ends uncertainty over Hill Samuel

By Ralph Atkins

Lloyds TSB yesterday ended much of the uncertainty over its subsidiary Hill Samuel Bank by announcing that the merchant bank's corporate finance department was being sold to rival Close Brothers for an undisclosed sum.

The remainder of Hill Samuel, including commercial and private banking operations, will be integrated into the Lloyds TSB banking group.

The move provides a fillip for Close Brothers, more than tripling the size of its corporate finance department at what appears a modest cost. Close's

shares ended up 17p at 379p. It also marks the end of another chapter in the restructuring of UK merchant banking. In the late 1970s, Hill Samuel was one of the sector's leaders.

The deal resolves many of the questions about Hill Samuel which was acquired by TSB for £77m in 1987, but which has been subject to persistent speculation about a possible sale, particularly after incurring £422m losses in 1991.

It has emerged that staff were told this month that a strategic review, following Lloyds merger with TSB last year, had concluded Hill

Samuel should be merged into the combined group.

Lloyds TSB indicated yesterday, however, that the corporate finance department, although profitable, was not regarded as fitting comfortably within the group's operations.

Mr Alan Moore, deputy group chief executive, said: "Hill Samuel's corporate finance department and its clients would be best served by being part of an institution where specialist advice and corporate finance forms a core part of its business strategy."

The deal increases the size of Close Brothers' 20-strong corporate finance department by more than 60 staff and

fulfils a pledge earlier this year by the merchant bank to expand its activities in the sector.

No financial details have been disclosed, with the assets acquired described as "not material". That suggested the deal would absorb only a tiny part of a £53.4m rights issue by Close Brothers announced last September, leaving scope for further acquisitions.

As well as corporate finance, Close Brothers is seeking to expand its loan book and investment management activities.

Mr Rod Kent, managing director, said the Hill Samuel acquisition represented "a quantum leap for our cor-

porate finance side" and was "absolutely in line with our plans, spelled out at the time of our rights issue last autumn, to increase the size and scope of our fee earning activities".

As at Hill Samuel, Close Brothers' corporate finance team has targeted medium and larger listed companies and has more than 30 quoted clients. Hill Samuel's recent clients include British Rail and the Channel Tunnel rail link and has about 50 quoted clients.

Close Brothers was bought out by management in 1979 for £1m. At last night's close, it had a market value of £456.3m.

## NEWS DIGEST

## Panther raises offer for Elys

Panther Securities, the property developer, has raised its offer for Elys to 685p a share, valuing the Wimbledon department store at £8.2m.

The new offer consists of 590p cash and a special dividend of 50p that Panther wants Elys to pay. Failing that, Panther would make an extra payment of 50p a share to Elys shareholders.

Elys responded by advising shareholders "to take no further action" on a recommended 670p a share offer from Morley's Stores, a private company that owns four south London department stores.

It told shareholders that Panther's new bid exceeded the recommended bid by "a mere 2 per cent", and said it would ask Panther and Morley's to state their final offers before making any further recommendation.

However, Panther said that tax credits were available on the special dividend payment which increased the value of the latest bid for those eligible to 716.35p a share.

Mr Peter Rowson, Panther finance director, said the new offer was "probably" final and that, if successful, Panther would not retain Elys' listing. Panther had previously bid 750p a share for the first third of Elys shares and 525p for the rest, giving a weighted average of 600p a share.

Elys' pre-tax profits for the year to January 31 were £588,000, or £122,000 after exceptional. They peaked at £1.1m in 1991 and dividends have fallen in real terms since then.

Simon Kuper

## Pay boost for MAM chief

The remuneration of Ms Carol Galley, vice chairman of Mercury Asset Management, more than doubled last year from £330,000 to £717,000.

The increase partly reflected a bonus payment of £500,000. However the figures are slightly distorted as a larger amount of Ms Galley's bonus was deferred last year under a bonus scheme which is designed to encourage executives to stay with the group. Ms Galley, who runs MAM's UK institutional business, received unprecedented publicity for a fund manager earlier this year for her role in the Granada-Forte takeover battle, as MAM owned a 14.6 per cent stake in Forte.

In the year to March 31, MAM increased pre-tax profits by 26 per cent to £140.4m (£111.5m) and funds under management from £53.5bn to £31bn.

Graff Dyer

## Helical Bar director's bonus

Mr Gerald Kaye, director in charge of property development at Helical Bar, received a £208,000 bonus for the year to January. The bonus was the main factor behind a sharp increase in total remuneration from £165,000 to £369,000.

The company said that the discretionary bonus was awarded with regard to the level of development profits generated by Helical Bar. Development profits in the year to January increased from £0.8m to £5.2m.

The remuneration of Mr Michael Slade, managing director, declined from £609,000 to £317,000. No payments were made under a bonus scheme set up in 1992 which is linked to the company's performance as measured by net assets per share.

Simon London

## Dragon reveals \$1.5m loss

Mr Arifin Panigoro, the newly elected chairman of Dragon Oil, yesterday unveiled pre-tax losses for 1995 of \$1.5m (£980,000). He also announced the Irish oil exploration company had won shareholders' approval for its £50m placing and open offer.

The company will use the proceeds to acquire a 60 per cent stake in Larmag Energy Assets in a reverse takeover.

Larmag is a 50 per cent joint partner in and operator of the Laram Cheleken oil and gas venture in the Caspian Sea, and its take-over more than trebles Dragon's reserves to more than 170m barrels of oil equivalent.

Mr Panigoro replaces Dr TT Tsui who has resigned.

In its first year to December 31, Dragon recorded sales of \$1.5m, compared with \$0.5m for the 14 months to December 31 1994, when profits were \$1.2m. It said that continuing operations had achieved break-even at the gross level, and discontinued a gross loss of \$600,000.

Losses per share were 0.07 cents (0.01 cents earnings).

## Bridgend Group tips into red

Bridgend Group, the wholesale distributor and leisure company, was tipped from a £28,000 pre-tax profit to a £3.8m loss after an exceptional property revaluation in the year to December.

Mr Neil List, chairman, said the revaluation was made on Stocks Hotel Golf and Country Club, its only leisure asset, after looking at its first full-year operating profit.

Group turnover was down from £17.5m to £15.5m, reflecting recent disposals of leisure businesses, while underlying sales rose £1.2m. Pre-tax profits before exceptional were lifted by the distribution side, but pulled down by the leisure side.

## Incepta back in the black

A strong second half from its Park Avenue offshoot helped Incepta, the recruitment consultancy and financial communications company formerly known as WMGO, to turn a £2.26m loss into a pre-tax profit of £1.36m in the year to February 29.

During the year the company underwent a complete restructuring which eliminated all lossmaking and cash consuming activities.

The pre-tax result was after a net exceptional profit of £68,000 arising from the closure of Woollards Moira Gaskin O'Malley and the sales of WM Media, Sutch Webster WMGO Direct and Moxon Dolphin Kirby. Last year, there was a £2m goodwill write-off.

Total turnover edged ahead to £23.6m (£23m), including £1.4m (£1.7m) from continuing operations.

Mr Arthur Morton, chairman, said all the group's operating companies were trading profitably, winning new business and had made a good start to the year.

## Kelsey hit by start-up costs

Considerable start-up costs for a new product left pre-tax profits at Kelsey Industries, the electronic sundries, roofing and motor components group, down 22 per cent at £1.14m for the six months to March 31.

However, the company predicted valuable long-term business from the investment in its motor components division.

The roofing side was still suffering from lower margins, while the soldering products division had "progressed well" on increased sales.

Turnover grew 17 per cent to £31.5m.

## Pearson changes auditors

Pearson, owner of the Financial Times, is to change auditors. Price Waterhouse, the Big Six accountancy firm, is to become worldwide auditor, replacing Coopers & Lybrand in the UK and Arthur Andersen in the US, following what is understood to have been a close fought tendering process.

Jim Kelly

## In Brief

■ CANNING (W), the speciality chemicals group, has acquired Amco Sari for £2.1m in cash. Amco, which sells a range of additives for combustion improvement, operates in France and in 1995 had sales and pre-tax profits equivalent to £1.8m and £0.3m respectively.

■ FIELDENS, the farm tyre and wheel supplier, is raising about £1m through a listing on the Alternative Investment Market. The company is issuing up to 1.66m shares at 60p each via an offer for subscription valuing the company at £3m.

■ OLD ENGLISH PUB COMPANY, the AIM-listed pub restaurant operator, has acquired from the receiver the freehold of the Brome Grange at Brome, Suffolk and the Scote Inn at Scote, Norfolk for £1.03m in cash.

## A brake could yet be put on the marriage

Tim Burt looks at reasons for the proposed merger of Lucas and Varsity

strategic alliances or merge in order to survive.

Mr Simpson, who was conspicuous by his absence at yesterday's meeting, made the challenge facing Lucas clear: the global demands of motor manufacturers meant there would be a shake-out in the components industry; there would be no more than 15 to 20 international suppliers by the turn of the century.

Although he has streamlined its previously semi-autonomous divisional structure and dealt with its problematic aerospace defence business, he realised that it was still not big enough to challenge Bosch. Moreover, it was not generating enough cash to fund the investment necessary to become a global systems integrator.

By merging with Varsity, which enjoys operating margins of 8 per cent against Lucas's 6 per cent, the enlarged group claims to offer shareholders the prospect of faster revenue growth and improved earnings potential.

Industry analysts broadly endorsed that view, predicting that Lucas-Varity - as the new company is to be known - would join the FTSE 100 index as one of the world's top 10 tier one components suppliers. They forecast that the enlarged group's pro-forma 1995 profits of £187m on sales of £3.5bn would improve sharply under Mr Rice's tutelage.

"The timing is absolutely right," said one. "Varsity's recent profits record has been unspectacular and this deal was probably made or break for Lucas."

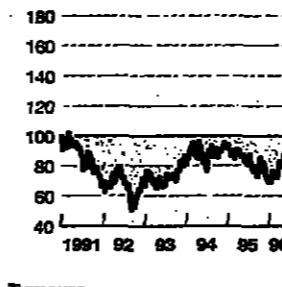
See Lex

## Lucas Industries

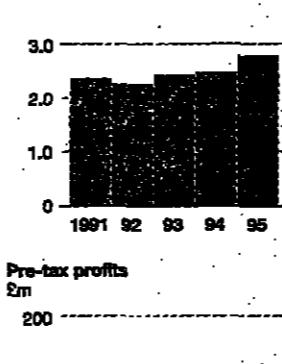


Sir Brian Pearce, Chairman

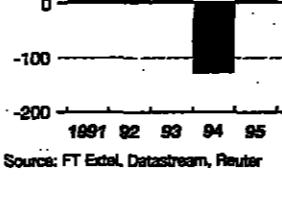
Share price relative to the FT-SE-A All-Share



Turnover £m



Pre-tax profits £m



Net income £m

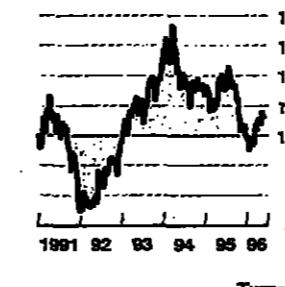


## Varsity

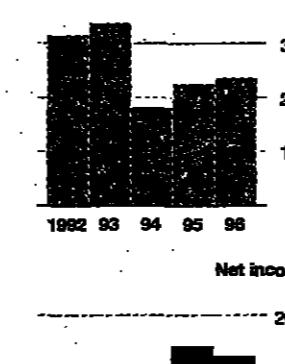


Victor Rice, Chairman and chief executive

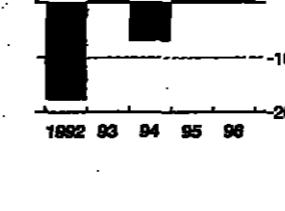
Share price relative to the S&amp;P Composite



Turnover £m



Pre-tax profits £m



Net income £m



## A driving force to dominate the industry

John Griffiths analyses the impact of the global components supplier

## WORLD'S LEADING AUTOMOTIVE COMPONENTS COMPANIES\*

Rank	Company	Sales 1994-95	Nationality
1	Delphi Automotive	\$26,100m	US
2	Nippondenso	\$13,940m	Japan
3	Bosch	\$12,653m	Germany
4	Ford-ACDelco	\$8,700m	US
5	Lucas-Varity	\$8,500m	UK/US
6	TRW	\$5,673m	US
7	Dana	\$5,290m	US
8	Philips	\$5,274m	Netherlands
9	Alain Salki	\$5,022m	Japan
10	AlliedSignal	\$4,922m	US

\*including new

ity in braking systems, including anti-skid and electronic traction control, for both light and heavy vehicles - something neither partner possessed on its own.

As such, it puts Lucas-Varity in a much stronger position to meet the demands of car and truck makers for ever more complex components systems designed, developed and produced by components manufacturers.

And the benefits should flow even faster as a result of

pooled spending on capital equipment and technology rising sharply to about \$300m a year.

However, car and truck makers will see the brakes part of the merger in another favourable light: as a powerful counterweight to the powerful entity being created in the vehicle brakes sector by the Bosch-Bendix amalgamation. Lucas-Varity will rank second, with TRW the third.

However, Lucas-Varity has extremely ambitious expansion plans for Varsity-Perkins, projecting a doubling of sales and a move into diesel engines for executive and luxury cars by the end of the decade.

## COMPANIES AND FINANCE

## Schering to control E German drugmaker

By Judy Dempsey in Berlin

Schering, the German pharmaceuticals company, is set to expand its fertility and hormone division after announcing yesterday it was buying a 74.9 per cent stake in Jenapharm, eastern Germany's only profitable pharmaceuticals group. Jenapharm is owned by Gehe, the Stuttgart-based pharmaceutical wholesaler.

The decision by Gehe to reduce its stake to 25.1 per cent and transform Jenapharm into a jointly-owned company with Schering is regarded as a strategic alliance with considerable benefits for both sides.

Schering will take over managerial

control of Jenapharm, assuming the venture obtains approval from both supervisory boards and the European Commission.

Schering, which had long eyed Jenapharm after it was placed under the Treuhand privatisation agency in 1990, but which had seen it snapped up by Gehe in 1991, yesterday said the West-based company would complement its fertility and hormone division.

This division last year accounted for 31 per cent, or DM1.4bn (\$820m), of Schering's total turnover, which amounted to DM4.6bn. Net profits were DM245m. "This deal will definitely strengthen the hormone division par-

ticularly fertility control, and there will be synergy effects," Schering said.

Gehe, which over the past year has expanded outside Germany through acquiring AAH, the UK drug wholesaler, and is now locked in a bid battle over Lloyds Chemists of the UK, has invested more than DM100m in Jenapharm since 1991. Last year, Jenapharm reported net profits of about DM20m on sales of DM216m. Gehe reported a 51 per cent rise in its net profit for 1995 on sales of DM19.5bn. Profits reached DM212m and were boosted partly by the consolidation of AAH into Gehe's group result for nine months.

Despite, or indeed because of, grow-

ing sales at Jenapharm, Mr Karl Eich, Gehe's finance director, yesterday said his company was faced with a major decision about the future strategy of both Jenapharm and the mother company.

"We have no Europe-wide marketing structure. We had to decide whether to build one or seek a partner to market Jenapharm's products. We wanted to internationalise it," said Mr Eich. He added that they had looked around for partners for some time, but Schering always seemed the obvious one, given the complementarity of its products and Schering's strong marketing infrastructure. "I think this strategic alliance will work well," added Mr Eich.

## Clondalkin buys Dutch group for £40m

By Jane Martinson

Clondalkin, the Dublin print and packaging concern, is to buy Van der Windt, the Dutch packaging group, for Fl 104.3m (\$420m) from NV Koninklijke, a Dutch public company.

The group said the acquisition, its largest to date, would be earnings enhancing immediately and would strengthen its position in the European flexible packaging market.

Clondalkin shares, listed on the London Stock Exchange, rose 20p to 485p yesterday.

Van der Windt, which manufactures and distributes packaging materials for markets, chiefly in the Netherlands, Germany and Belgium, is set to provide some 40 per cent of the Irish group's sales and profits.

Clondalkin manages flexible packaging operations in Ireland, the UK, the Netherlands, Switzerland and the US. It said that expansion in Europe would "complement existing operations and provide greater balance in terms of foreign currency, investment and earnings potential".

Van der Windt made a pre-tax profit of Fl 18.1m on sales of Fl 263m in 1995. The deal will add 570 employees to Clondalkin's total of 2,544.

Last year Clondalkin lifted pre-tax profits 22 per cent to 151.8m, helped by the first full-year contributions from Vassen in the Netherlands and Nyco in Switzerland. Clondalkin also bought Boxes, a UK folding carton manufacturer, in September for 215.7m.

Under the latest deal Clondalkin will repay Van der Windt debt, estimated at less than Fl 50m. The Irish group's net debt at the year end was 152.4m, giving gearing of 38 per cent. After the deal the group said its interest cover would be more than 10 times.

Clondalkin expects the restatement of the Dutch group's fixed assets at acquisition to lead to "a significant increase".

## RBS holding in Spanish bank raised to 4.9%

By Geoff Dyer

Royal Bank of Scotland has exercised options to purchase a further 1.04m shares in Banco Santander for £21m, taking its stake in Spain's largest banking group to 4.94 per cent.

RBS has had the options since 1988, when it entered into a business alliance with Santander, which in turn has a 9.89 per cent stake in the Scottish bank.

The latest purchase, which RBS said would probably be the last, means that it has spent nearly £180m on Santander shares since last December.

RBS said the investment was designed to cement its relationship with Santander and would have a negligible impact on earnings.

The two banking groups also have an alliance in Portugal and in the Iberian cross-border payments system.

## Acquisitions lift Residential Property

Helped by the acquisition of PGL Group in January, Residential Property Trust, the residential property management company, achieved a jump in pre-tax profits from £256.75m to £303.51m in the year to March 31.

Mr Stuart McDonald, chairman, said it would continue to seek opportunities to grow organically and by acquisition.

Turnover rose to £2.56m (276.752) of which £589.755 came from acquisitions.

The board is proposing to change the company's name to RPT Management Services to reflect its activities.

## Siemens in Pta14bn Amper deal

By David White in Madrid

Siemens of Germany expects to triple its business in the Spanish telecommunications equipment sector as a result of an agreement signed yesterday with Spain's Amper group, an important supplier to the national telephone company Telefónica.

Siemens said the first stage of the deal would involve payment of almost Pta14bn (\$105m), its largest investment in Spain to date.

The agreement, reached after long negotiation, includes the purchase by Siemens of an 80 per cent stake in the Spanish company's public telephone

subsidiary, Amper Elasa, with an option to acquire the other 20 per cent. Siemens said it would strengthen the Spanish unit's export activity and make it the focus for developing, producing and marketing public telephones worldwide.

At the same time, the German group is taking a 10 per cent stake in Amper Datos, which specialises in data network systems, with the idea of possibly expanding its participation to 30 per cent in future.

The initial shareholding is seen as a tactic to prevent another competitor from moving in.

A third leg of the agreement, still to be concluded, involves

bringing the operations of the Spanish company's Amper Telemática subsidiary, which makes terminals and small exchanges, into a joint venture with Siemens' telecoms network activities in Spain. The joint unit, to be called Siemens Telecommunications España, is to be 66 per cent controlled by the German group, with Amper holding the remaining 34 per

market 10 years ago after a rescue operation carried out by Telefónica, has returned to profit in the past two years after suffering heavy losses. Its net earnings climbed from Pta80m in 1994 to Pta2.7bn last year on sales rising from Pta8.6bn to Pta40.65bn.

The deal follows a preliminary understanding between the two companies in July last year. Siemens said the agreement would enable it to build up its position among the main suppliers of telecommunications in Spain. It expected its turnover in the sector to reach Pta30bn within two to three years, three times the current volume of business.

## HSBC shareholders approve bonus scheme for executive directors

By Simon London

Shareholders in HSBC have approved a controversial bonus scheme for the banking group's executive directors, despite the opposition of some institutional investors.

The scheme enables directors to receive bonus shares valued at up to four times their annual salaries if earnings performance targets are met.

Some shareholders argued that the potential rewards were excessive and the target - 2 per cent real earnings growth averaged over four years - was too low.

Mr Stuart Bell of the Pensions and Investments Research Consultancy (Pirc), which advises pension funds, told yesterday's annual meeting that the scheme rewarded executives for "adequate but not outstanding performance."

He added that the group's remuneration committee had excessive powers to alter the rules of the scheme in future years. Pirc advised its clients to vote against the scheme.

However, HSBC received proxies in respect of 420m shares in favour of approving the scheme. Proxies representing 80m shares were against.

Sir William Purves, chairman, told the meeting that

four times annual salary was a theoretical ceiling and that rewards were expected to be much lower.

In practice the group envisaged granting bonus shares equivalent to up to 25 per cent of annual salary if performance targets were met, he said.

Many companies are introducing similar long-term incentive plans at the suggestion last year of the Greenwich committee on executive pay.

Demonstrators supporting the Lloyds and Midland Boycott Campaign were dragged out of the HSBC annual meeting yesterday

## Predators eye the smaller fry

The mutuals which still exist are seeking ways to protect themselves, writes Motoko Rich

land Building Society, which will complete a takeover of West Cumbria in October.

While industry pundits have speculated that some of these merged societies could follow the Halifax, which merged with Leeds Permanent to become a bank, Mr Thomas says that is improbable. "The extra bulk you would get by putting any of the two that remain together would not be substantial enough," he says.

The remaining societies believe their former allies represent the greatest threat to their future: they see the new banks facing stock market pressure to grow by acquisition

over - but are free to launch takeovers.

The remaining societies believe their former allies represent the greatest threat to their future: they see the new banks facing stock market pressure to grow by acquisition.

Many of the smaller societies are determined to remain mutual. Several have demonstrated their commitment by offering mutuality packages.

However, banks will also need to charge higher rates to maintain profits, so the rates offered by the mutuals are likely to remain attractive.

Still, mutuals need to deliver robust performances for their members. "Mutuality has been used as a cover-up for inefficiency," says Mr Messenger. "Mutuals have to be really efficient and profitable, and then give some of those profits back to members."

The demutualisation of Northern Rock and Bristol & West one by one, the other by takeover, earlier this year, reinforced the fear that the mutuals could fade into an old fashioned niche.

But the remaining mutuals believe that niche is vital. "If the sector is destroyed, competition will disappear, and the very availability of some products could be open to question," says Mr Anderson.

Whereas banks are not required by law to provide mortgages, or even retail savings facilities, building societies are.

The smaller societies believe this is where their future lies. "We have to focus on our core mortgages and savings," says Mr John Thomson, deputy chief executive of the Coventry Building Society. "A regional building society does not have the resources to have a full range of financial service products. As a sector we cannot be all things to all men."

## KHD is upbeat on survival prospects

By Michael Lindemann in Bonn

Klockner-Humboldt-Deutz, the German engineering group facing bankruptcy after the discovery of losses of DM630m (\$424m) last week, yesterday said it was "making good progress on a rescue bid".

However, the package of unspecified measures designed to offset the losses will have to be approved by a consortium of about 30 banks, headed by Deutsche Bank, which is due to meet in Frankfurt next Wednesday.

The group's non-executive supervisory board, chaired by Mr Michael Endres, a board member of Deutsche Bank, met yesterday at the bank's headquarters in Frankfurt. Deutsche Bank, which owns 47.7 per cent of KHD, refused to comment on any details of the rescue package.

As Germany's biggest bank, Deutsche is sure to have a degree of leverage over the other banks in the consortium but it remained unclear last night whether the rescue package would be approved.

The same consortium had to put together a DM519m rescue bid for KHD last January and it is not certain what long-term prospects there are for the company, which would continue to face high German labour costs.

Analysts have suggested it would be better to let KHD, one of the oldest and best-known names in German engineering, go bankrupt and then sell off the group's main units - the plant engineering and the diesel engine businesses - to the highest bidder.

Most of the banks would have written off their loans to the company - where there have been three rescue attempts in seven years - making it easier to opt for bankruptcy, analysts said.

The 140-3 issue is priced at 105p a share. The group's shares fell 8p to close at 119p yesterday.



John Jackson: "Textile services offers better growth prospects"

## Sketchley seeks £21.6m to finance refocus

By Christopher Brown-Humes

Sketchley, the dry-cleaning group, launched a £21.6m rights issue yesterday to cut debt and shift business focus.

Mr John Jackson, chief executive, said the group wanted to build up textile services to 75 per cent of business in the next three years.

This would cut the contribution of retail - the group's dry-cleaning and laundry services - from between 4 and 5 per cent, and textile services up 6 per cent.

"Discretionary spending has started to come back," he said.

An unchanged final dividend of 2.4p gives a total of 3.5p, up 0.1p.

### • COMMENT

After a spell in the dry cleaners, Sketchley's dirty stains in the form of 160 lossmaking shops have now largely been removed. So yesterday was a good time to take the spruce-up a stage further with a rights issue that enables the group to move from defensive to offensive mode. Whereas the old expansion strategy would have emphasised acquisition, the new manager is going for growth. This is a change for the better. Everything is in place for a recovery, with expansion through Sainsbury stores and higher discretionary spending - if sustained - adding to the growth it should get from textile services. But shareholders have heard "the new management, new strategy" story enough at Sketchley over the last 15 years to remain wary. The shares may struggle to make progress in the short term.

## The Financial Times plans to publish a Survey on

# Spain

on Monday, June 24.

The survey will focus on the policies of the new administration • The challenge faced by the country of monetary union • Spain's privatisation programme, banking, competition and much more • Its music and dance culture.

For further information, please contact

Ewa Placzek-Neves on +44 0171 873 3725,

Fax: +44 171 873 3204 or

Edward Macquistan on +34 1 377 0061

or Fax: +34 1 377 0062.

FT Surveys

## COMMODITIES AND AGRICULTURE

## WEEK IN THE MARKETS

## Chicago grains head lower

Chicago's grain pits provided most excitement this week for commodity traders. As London Metal Exchange contracts consolidated after recent sharp "bids" and "sells" futures at the London Commodity Exchange moved in narrow ranges. Chicago Board of Trade wheat, maize and soyabean prices reacted to improved conditions in some US growing areas with dramatic falls.

US weather had for some time been the dominant influence on world grain markets. Prices were driven to historic highs by the drought conditions that damaged prospects for winter-sown crops and then moved still higher as excessive rain seriously hindered spring plantings.

The mood change profoundly this week, however, after weekend rains in parts of the Southwest plains broke the drought that had continued to blight harvest prospects and summer weather in crucial spring-wheat states like Indiana and Oklahoma raised hopes that plantings there could soon be completed.

About 20 per cent of the US maize crop remained to be planted as of last Sunday, according to a survey released on Monday by the US Department of Agriculture. But traders said drier weather forecast for the next week or two should allow farmers to get their remaining seed into the ground.

They said the rains in the Southwest plains had come too late to boost wheat yields significantly but would encourage farmers to plough up failed wheat stands and plant milo, a feed grain that can be used in place of maize.

All-in-all, grain market analysts said, improved planting prospects, lagging maize exports and the prospect of government aid to cattle ranchers - the USDA was expected to release 42m bush-

els of maize from the emergency food reserve - had taken the pressure off maize prices.

In late trading at the CBOE yesterday September delivery maize futures were up a few cents on the day at \$3.96 a bushel, still 17 cents down on the week. September wheat was quoted at \$5.26 a bushel, down 2 cents on the day and 35 cents on the week.

At the London Metal Exchange copper prices regained some of their recent heavy losses as nearby supply

levels warehouse stocks. (At Thursday's close, tonnes)

Aluminum +5,600 to 80,775

Aluminum alloy +1,180 to 80,140

Copper +4,100 to 80,650

Lead +400 to 80,000

nickel +5,000 to 80,250

Zinc +3,575 to 80,250

Tin +10 to 80,005

tightness was reassessed. The three months delivery position closed yesterday at \$2,445.50 a tonne, up \$2.50 on the week, while the cash premium, which at one point last week had shrunk to less than \$50 a tonne, stood at about \$100.

Copper's recovery was undermined yesterday by disappointment with the 4,100-tonne fall announced in LME warehouses stocks of the metal. Some traders had suggested that a drawdown of as much as 30,000 tonnes was possible.

Aluminum prices also dipped yesterday, and were little changed on the week.

The strongest LME contract over the week was nickel, which ended \$12.50 up at \$7,987.50 a tonne, for delivery in three months. But that was \$157.50 below the peak reached on Wednesday. Dealers attributed a \$100 fall yesterday to news of a rise in LME stocks and pressure from commission house selling following repeated failures to break resistance at \$8,200 a tonne.

The earlier strength of the nickel market was encouraged, traders suggested, by news of top management changes at Norilsk, the Russian nickel giant whose exports are seen as a key swing factor in the western world's supply/demand balance.

Richard Meoney

## WEEKLY PRICE CHANGES

	Latest prices	Change on week ago	Year ago	1995
Gold per troy oz.	\$692.25	+1.55	\$887.00	\$145.40
Silver per troy oz.	348.50	-2.50	343.80	383.90
Aluminum 99.7% (cash)	\$156.54	-2.0	\$179.00	\$167.00
Copper Grade A (cash)	\$254.75	+12.0	\$248.35	\$261.00
Lead (cash)	\$92.5	-0.5	\$90.40	\$92.75
Nickel (cash)	\$778.00	+5.0	\$770.00	\$745.00
Zinc (cash)	\$107.65	-1.0	\$104.00	\$105.00
Tin (cash)	\$808.00	-8.0	\$850.00	\$850.00
Cocoa Future May	\$1077	-6	\$944	\$1178
Coffee Future May	\$1805	-70	\$2281	\$2205
Sugar (JDP Raw)	\$268.7	-3.8	\$247.5	\$262.0
Barley Future Sep.	\$105.50	+10.10	\$105.25	\$127.5
Wheat Future Sep.	\$111.80	-18.00	\$128.75	\$149.4
Cotton Contract A (Index)	\$142.00	+1.00	\$140.00	\$135.00
Wool Future Sep.	\$250	-1.00	\$250	\$250
Oil (Brent Blend)	\$17.90	-1.25	\$18.77	\$23.13

For some units otherwise stated, p. Percentage, c. Cents b. x July.

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

## ■ ALUMINUM, 99.7% (per tonne)

Cash 3 tonnes

Close 1564.45 1565.75

Previous 1572.5-73.5 1603.4

High/low 1588-1595 1600/1607

AM Official 1558-58.5 1588-58.5

Kerb close 1571-92

Open Int. 225,045

Total daily turnover 41,855

## ■ ALUMINUM ALLOY (per tonne)

Close 1295-303 1344-35

Previous 1295-305 1344-35

High/low 1357-1360 1357-1360

AM Official 1293-93 1330-91

Kerb close 1337-42

Open Int. 4,859

Total daily turnover 1,488

## LME WAREHOUSE STOCKS (At Thursday's close, tonnes)

Aluminum +5,600 to 80,775

Aluminum alloy +1,180 to 80,140

Copper +4,100 to 80,650

Lead +400 to 80,000

Nickel +5,000 to 80,250

Zinc +3,575 to 80,250

Tin +10 to 80,005

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For some units otherwise stated, p. Percentage, c. Cents b. x July.

## WORLD BOND PRICES

## MARKET REPORT

By Lisa Brantner in New York and Richard Lapper in London

Continued nervousness about the course of monetary policy and rumours of portfolio liquidations by large funds sent US Treasury prices sharply lower in early trading yesterday.

The yield on the benchmark 30-year bond spiked above 7 per cent at mid-morning, but by midday the market had regained its footing. Just after noon, the long bond was off 57/8 to yield 6.96 per cent.

The two-year note was 2 weaker at 93/8, yielding 6.271 per cent. The June 30-year treasury bond future fell 1/8 to 96.28.

The yield curve that maps the yield spread between the two-year note and the long bond flattened by 2 basis points to 73 basis points as the short end of the spectrum bore the brunt of yesterday's losses. The market traded nearly every session of this week amid comments from Federal Reserve officials that were interpreted as warnings that signs of economic strength might lead to a rise in interest rates in July.

**BENCHMARK GOVERNMENT BONDS**

Red Coupon Date Price's change Yield Week ago Month ago

Australia 10.000 02/08 106.820 -0.14 9.82 9.87

Austria 5.125 02/05 97.8400 -0.12 8.73 8.75

Belgium 7.000 05/05 101.8700 -0.12 8.73 7.70

Canada - 6.750 12/05 107.0000 -0.12 7.48 7.38

Denmark 8.000 03/05 107.0000 -0.10 8.70 8.50

France 5.750 04/05 105.2600 -0.116 8.51 8.43

Germany Bund 6.250 04/05 101.0000 -0.10 8.20 8.19

Ireland 8.000 05/05 101.9000 -0.25 8.79 7.59

Italy 8.500 02/08 102.2000 -0.20 8.22 8.28

Japan No 14.000 06/01 115.2500 -0.320 9.18 9.09

Japan No 18.000 03/00 109.2500 -0.320 9.18 8.31

Portugal 11.750 02/05 107.0000 -0.10 8.22 8.28

Spain 6.000 04/05 97.2600 -0.460 8.23 8.26

Sweden 5.000 12/00 101.1000 +0.02 7.49 7.40

UK Gilt 7.500 12/05 105.2500 -0.12 8.26 8.05

US Treasury - 6.000 02/28 101.0000 -0.04 -5.85 6.28

US Treasury - 6.000 02/29 101.0000 -0.176 6.98 6.97

## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
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Saturday June 1 1996

## High peaks, big risks

When Ms Susan Phillips, a governor of the US Federal Reserve, expressed worries about inflation earlier this week, it looked briefly as though Wall Street might finally crack. In the event, bonds and equities quickly regained their composure. There have been many such brief and nervous twitches in the course of the year. But while the market responded to pronouncements from anywhere near Mr Alan Greenspan's office borders on the reverential at present, the revellers at Wall Street's party know no defiance, even towards the Fed.

Another curiosity of current market behaviour is that official data provide so much that appears to run against the grain of the respective movements of bonds and equities. The big story of the past five months has been the resurgence of inflationary fears, which has caused the yield on the US long bond to rise to just under seven per cent. There it sits, waiting for news that would justify a decisive move in the direction of inflationary gloom.

In the real economy, meantime, there is no overwhelming worry for bonds. This week the Commerce Department revised its growth estimates downwards to an annualised rate of 2.3 per cent in the first quarter, compared with the earlier reported figure of 2.8 per cent. The chief reason for the revision was that inventories showed their first quarterly fall for four years, indicating that the inventory correction is over.

This admittedly means that growth in the second quarter is likely to be more buoyant as companies have to produce more to meet a given level of consumer demand. Figures for new house sales this week also pointed upwards, which in turn raised the possibility of more pressure on wages. That, of course, is one of the Fed's biggest fears; and a better indication of future trends will have to wait for next week's employment data.

## Conventional wisdom

Yet in an economy which has seen very high levels of investment and improved productivity, it is hard to believe that labour market pressures will be acute this year. Nor is it inevitable, if growth from the second quarter follows conventional wisdom in running at an annualised 2.7-3 per cent that the Fed will feel obliged to tighten monetary policy before November's presidential election.

Some, it is true, worry about the growth of the money numbers; and there are great uncertainties about the nature of the official flows between Japan and the US.

But on the assumption that the Fed continues to neutralise the impact on US monetary policy of the Bank of Japan's dollar purchases and sales, the question about money and inflation will be resolved at home.

Here the important point is that if people save rather than spend the excess liquidity, the outcome is more likely to be soaring asset prices than a surge in the general price level. And asset price inflation, propelled by the mutual fund movement, is very much what Wall Street is all about.

## Upward sweep

The annualised rate of growth of mutual fund assets in three months to the end of March was more than 50 per cent, which is heady stuff. The upward sweep of equity prices, which are still close to peak historic levels, has also shown no deference to the bond market, where weakness might normally have been expected to put a brake on events.

Apologists for the present level of the market point out that in terms of prices and earnings, the current valuation is far from its historic peak. What they overlook is that peak historical levels are usually reached only when an economy is roaring ahead.

In one that is growing pretty much in line with its long run growth potential, today's price earnings ratios do look very demanding. Dividend yields, which are only a little over two per cent on the Dow Jones Industrial Average, are at genuinely low historic levels. Where valuation yardsticks based on replacement costs are used, the market is at its highest level for decades.

The trouble with arguments about valuation is that markets often remain overvalued for months or even years. In essence, the assertion that Wall Street is overvalued is a statement about the level of risk, not about where things will go next.

What can be said with certainty is that the mutual fund investors who are buying at today's levels will enjoy very low long-run returns, when measured by historical yardsticks - a point that applies, though with rather less force, to UK equities at their present level.

The message that the peace process has failed to deliver security, and that only by resurrecting a garrison state can Israel move towards a genuinely secure peace, is behind Mr Netanyahu's comeback from a 20-point deficit in the opinion polls four months ago.

One moral is that a reversal of the present asset price inflation poses a greater threat to the wealth of US households than a resurgence of general inflation. Another is that a fortune teller on the nearest seashore pier may provide a better guide to when investors will finally grasp this point than the most sophisticated analyst.

When the Likud party faithful lost their heads on election night, Mr Benjamin Netanyahu, Israel's next prime minister, kept his cool. Early returns and exit polls showed Mr Shimon Peres, the prime minister, with a narrow lead over the rightwing Likud leader, sending his election headquarters in Tel Aviv into despair. Grown men wept and party officials gave hasty interviews on television lashing out at the US for interfering in the election to support Mr Peres.

Mr Netanyahu, 46, staying at a seaside Tel Aviv hotel with his wife, broke his self-imposed vow of silence to rally his dispirited supporters. Dressed in a dark suit, he delivered a calm, reassuring message. "It is still early. The night is long. We need to be patient. There are no final results yet. The race is very, very close," he said.

Within hours, Mr Netanyahu, known in Israel as "Bibi", had pulled ahead of Mr Peres. And yesterday, after the last ballots were counted, he emerged as the winner with 30.4 per cent of the vote, a wafer-thin margin of less than 29,500 votes over Mr Peres.

No personal quality, except perhaps his ruthless ambition and self-confidence, is more responsible for his victory than his ability to stay cool under pressure. It is a quality he has shown time and again as an army commander; as Israeli ambassador to the United Nations during Israel's disastrous 1982 invasion of Lebanon; as the country's chief spokesman in the Gulf war when Iraqi Scud missiles threatened Israel's self-confidence; and from 1988 as Likud leader after his meteoric rise over more experienced rightwing politicians.

It is a quality which has been seriously underestimated by his many critics, who portray him as an unprincipled opportunist, long on style, short on substance and with dubious judgment. The judgment question was raised in the only televised election campaign debate when Mr Netanyahu was asked about his behaviour in "Bibigate", the scandal of his marital infidelity which erupted two months before the Likud leadership poll in 1993.

"As an officer at a very young age I made life and death decisions," Mr Netanyahu barked back, before admitting he had made a mistake during Bibigate by rushing to confess his adultery on prime-time television because of rumours of a compromising videotape that turned out not to exist. Then, going on the offensive, he said: "But the mistake Mr Peres made, that he is making now, that he made in the last four years, hurts the whole people of Israel. People here live in fear. The whole country lives in fear."

The message that the peace process has failed to deliver security, and that only by resurrecting a garrison state can Israel move towards a genuinely secure peace, is behind Mr Netanyahu's comeback from a 20-point deficit in the opinion polls four months ago.

When Yigal Amir, a rightwing Jewish extremist, assassinated Yitzhak Rabin, the former prime minister, in November Mr Netanyahu's prospects of becoming prime minister seemed bleak. The right wing was blamed by many Israelis for its part in creating the climate of hate leading up to the assassination; and Mr Peres, who took over the premiership, soared in the polls. But then Hamas, the Palestinian Islam-

ist group, killed 59 Israelis in four suicide bomb attacks in February and March. The attacks wiped out Mr Peres's lead and played into the hands of Mr Netanyahu.

He prevented the eruption of anti-government demonstrations by Likud supporters and appealed for calm in a time of national crisis. He even addressed Mr Peres, 26 years his senior, as "Shimon" and offered his help in strong anti-terror moves.

At the same time, Mr Netanyahu was skilfully persuading the fractious right wing to unite behind his candidacy for the premiership. He swallowed his pride to make up with Mr David Levy, the former Likud foreign minister, whom he

had accused of being behind the conspiracy to discredit him during "Bibigate". When the united right-wing bloc was announced in March it quickly became apparent that almost a dozen Likud members of parliament would be sacrificed to accommodate other right-wing groups in an electoral pact. Many party members condemned this as naked opportunism but a large majority eventually endorsed it as the only way to unseat Mr Peres.

Mr Netanyahu's tactics have been vindicated. So have his skills as Israel's great communicator. His campaign was well focused on a single issue: the government had subcontracted Israel's security to Yasir Arafat, the Palestinian president. Only by taking security into their own hands would a real peace, free from terror, be possible.

Now he will need all his skills as a political negotiator and communicator to reassure a deeply divided country, and an outside world worried about the impact of his hard-line policies on an unstable region.

The challenge is formidable. Mr Netanyahu's fear-mongering and criticism of the peace process while in opposition now have to be translated into government policies. He must decide in days whether Israel will proceed with a military withdrawal from the West Bank town of Hebron as it is obliged to do under the Israeli-Palestinian peace accords, or risk a renewal of Arab

violence. He must decide how to deal with the Palestinian administration next door after saying he would not meet Mr Arafat.

Mr Netanyahu must also try to calm the fears of Israel's neighbours in the Middle East, a region he recently described as a "mosaic of depravity and duplicity". He must seek to assure western states and the US, Israel's staunchest ally, that their economic and diplomatic investment in the peace process is not at risk. He must quickly take steps to restore the confidence of foreign investors; they are fearful that a collapse of the peace process will slow Israel's economic growth and its integration into global markets. In short, says Mr Haim Shalev, an Israeli political commentator: "He will have to convince the world that Israel is not about to turn itself in a dark, theocratic creature from the old Middle East."

Optimists say that although Mr Netanyahu has taken a hard line on the Arab-Israeli peace process, he knows that up to 70 per cent of Israelis support continuing the quest for peace. He also has solid credentials as a free marketeer committed to rapid liberalisation and privatisation of the economy.

Furthermore, the US-educated, fast-talking Mr Netanyahu is no Yitzhak Shamir, the gruff former Likud prime minister whose policies put Israel at loggerheads with Washington. Mr Netanyahu is as much at home in America as in Israel; he is used to being the darling of US television and will not want to be shunned by the White House.

But even an optimistic reading of his stated policies towards Palestinians, Syria and the rest of the Arab world must take into account the fact that he is likely to be pulled rightwards by his own party and his coalition partners.

Other members of his future government are even more opposed than he to a Palestinian state and to talks on Jerusalem - two of the most important issues Israel is committed to discussing with the Palestinians. They are also united behind the resurrection of Greater Israel, keeping the West Bank and Gaza Strip under Israeli occupation and populated with Jewish residents.

There are extremists in Mr Netanyahu's own party, including Mr Ariel Sharon, a possible finance minister, who yesterday described Mr Arafat as a "murderer" and "war criminal" and said Israel would not honour its commitment to withdraw from Hebron.

The make-up of the coalition dims the hope that Mr Netanyahu will moderate his policies towards peace - a fact recognised by Mr Ahmed Qurei, the Palestinian architect of the peace process. "It is most worrisome that Netanyahu will be surrounded by a team hostile to the peace process. The region will return to a state of tension and violence, maybe wars, if a new Israeli team headed by Netanyahu implements their campaign slogans."

The composition of the coalition is also unlikely to allow him to meet the urgent need for spending cuts. Ultra-orthodox and new immigrants' parties will demand money for their communities.

Squaring these competing demands while preventing Israel's return to confrontation and isolation will test Mr Netanyahu's coolness under pressure as never before.

## COMMENT &amp; ANALYSIS

## Man in the News · Benjamin Netanyahu

## Life and death decisions for a former commando

A fighter to the last, Israel's next prime minister has demonstrated the value of a cool head, says Julian Ozanne



Spirited

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be edited for space and clarity. Please keep them to five lines. Email: letters.editor@ft.com Translation may be available for letters written in languages other than English.

## Netanyahu will continue peace process after election befitting real democracy

From Mr Zalli Jaffe

Sir, The Israeli public has had its say in an honourable and democratic manner befitting a real democracy. Some in Israel do not appreciate democracy when they lose. Mrs Rabin's statement to CNN that she will leave Israel if Benjamin Netanyahu wins is outrageous. Those who claim that Bibi won the election because of Rabin's murder are making a mockery of a tragedy that

All Israelis wish for peace. The peace process with Palestinian is irreversible. Democracy spoke. Let us give Bibi a chance. I know he will not disappoint us.

Zalli Jaffe,  
Zalli Jaffe & Co,  
Law offices,  
31 Ramah Street,  
PO Box 7381,  
Jerusalem 91-078,  
Israel

## Cut ferries for benefit of shareholders

From Mr John Faber

Sir, The once important ferry service connecting Enkhuizen, in North-Holland, with Stavoren, in Friesland, had to face up to the fact that an ever-increasing number of people prefer to take the Afsluitdijk route once the construction of this well-known dam was completed in 1932.

The ferry service accepted it and took the necessary measures, cutting the frequency of the service. Today, there are just two departures a day (three during the summer). Any possible ideas of it staying competitive with the Afsluitdijk were dispelled ages ago.

P&O and Stena would be wise to follow this example on the Dover-Calais route. For the benefit of their shareholders!

John Faber,  
2727 BC Zeeburg  
Cesar Franckrode 73,  
The Netherlands

## Tendency to secrecy would hinder free market in beef

From Mr Tony Clayton

Sir, Steven Carter's proposal (Letters, May 29) to label British beef and "let the market decide" sounds reasonable, but runs up against real political and practical difficulties.

The beef crisis stems from ministers' failure to adopt proper labelling 10 years ago. Farmers asked for animal feed containing abattoir waste to be labelled, but

the government gave in to the big companies, and blocked this safeguard in the name of deregulation.

Perhaps the only measure which might do the trick, and be acceptable to xenophobic politicians, would be to dye beef for export red, white and blue!

We live in a country where

information is not valued in

Whitehall. This week's milk scare has shown again that secrecy is its first instinct. Who would trust a UK government labelling scheme to

ensure that none of these indiscriminate killers is active. It is unfortunate that the US, as well as the UK in its recent announcement on land mines, failed to lead the world with more far-reaching and concrete deeds rather than by words.

Ann Peters,  
research associate,  
Human Rights Watch arms project,  
33 Islington High St,  
London N1 9LB,  
UK

## Too much rhetoric and too little action by US over land mines

From Ms Ann Peters

Sir, As Nancy Dunce observed ("Clinton to work for an end to land mines", May 17), President Clinton has been strong on rhetoric in "launching an international effort to ban anti-personnel land mines". There was no need to launch an international effort. One has been ongoing for some time and growing in strength. Some 40 countries, including Germany, France and Canada, support an immediate and comprehensive ban on anti-personnel land mines (APMs).

these weapons as a "humane and militarily responsible step".

One problem with the US policy is the continued belief that the limited military utility of land mines outweighs the greater humanitarian tragedy. President Clinton says self-destructing mines pose "virtually no threat to civilian life once a battle is over". But such mines will still kill or maim civilians for months after they are sown, and areas will remain off-limits until mine-clearers painstakingly prod the land to

In accordance with the provisions of Articles 7 and 20 of the Regulations approved by the CONSOB with Resolution No. 5553 of November 14, 1991, the documents listed below have been deposited at the Company's registered office and corporate offices, located respectively at 15 Via S. Dalmazzo and 23 Via Belfiore, Turin, and at the headquarters and secondary office at 189 Via Flaminia, Rome, where the public may consult them or request a copy thereof:

- Financial statements at December 31, 1995, report on operations from the Board of Directors, report of the Statutory Auditors, Independent Auditors' certificate and consolidated financial statements at December 31, 1995; and

- Minutes of the Annual Shareholders' Meeting of May 3, 1996, approving the 1995 financial statements.

The above documents have also been deposited with the Stock Exchange Council, where they are available upon request.

Anyone who wishes to obtain additional information may call +39-6/36001273 or 36001274 or 36001275.

This notice is also available on the Internet at the following address:

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## COMMENT &amp; ANALYSIS

**T**he awkwardness starts with the handshake, the most basic of all political gestures. There is a split second of hesitation every time: Senator Bob Dole stretches out his good left arm, and the voter must decide.

Will he shake with his own left hand and suppress the natural reflex to grab the candidate's right, crippled by a war wound? Or will he choose the almost feminine gesture of holding hands, his right hand in the senator's left? Either way, a crucial split second of spontaneity is lost.

Compare the handshake of President Bill Clinton, the most famous in US politics. The anonymous author of the best-selling Washington novel *Primary Colors* has immortalised it, describing how Governor Jack Stanton, Clinton's fictional double, uses both hands to grab, stroke and pump.

"He's interested in you, he's honoured to meet you... [he] flatters you with the illusion of conspiracy," says the narrator, in words that capture the real-life president's technique. That grip is central to candidate Clinton's routine of political seduction. For Mr Dole, it is a physical impossibility.

Yet the handshake is, strangely, almost as powerful a tool for the Republican senator as for his Democratic rival. It defines the central message of the senator's campaign: that he is not Mr Clinton. For many – perhaps most – Republican voters, that is the main fact

## A handshake away from the presidency

Bob Dole's physical awkwardness contrasts with Bill Clinton's smooth campaigning, says Patti Waldmeir

that recommends him as president. The senator spent the past week underlining the difference on his first important campaign trip since announcing his forthcoming resignation from the Senate.

Mr Dole's aides have accepted that their candidate's campaign will never have the qualities that his handshake lacks: passion, force and split-second timing. The stiffness in his body language goes well beyond his physical handicap.

Almost everything about his performance is curiously, sometimes disarmingly, awkward. He is notoriously inarticulate: a campaign speech is an obstacle course littered with verbal hurdles over which to stumble. His rhetorical gestures are almost always mis timed. His speeches do not so much build up to a climax as sink to an end. He concluded one earlier this week with the stumping exclamation, "So".

A man of wit and humour in private, candidate Dole's jokes seldom succeed. He has taken to saying on the stump that he wants to be president because "every country ought to have one". That is humour which strays into dangerously serious territory for voters who struggle to find any better reason why they should elect him.

His aides have no choice but



Wave of support: Bob Dole delivers an address on crime during a downpour on the campaign trail in Aurora, Colorado

to make a virtue of these weaknesses. The Dole campaign spokesman, Nelson Webster, celebrates the senator's stiffness as an asset. It proves that "Senator Dole has something Clinton doesn't: authenticity", he says. At least in performance terms, that is obvious; no one could fake such awkwardness. Mr Dole was ped-

ding his message of authenticity last week at a time when Mr Clinton was vulnerable on the veracity front. Before the senator's aircraft touched down in California – the most powerful American state federally, a judge in Little Rock, Arkansas, announced the conviction of Mr Clinton's former business partners in the White

water trial. Some voters obviously thought the verdict was tantamount to a declaration of no confidence in the truthfulness of the president, who gave testimony on the defendants' behalf but was not himself on trial.

On such a day, it was not difficult for Mr Dole to raise doubts about the president's

between himself and the president (a CNN poll published on Thursday showed that gap narrowing, but still gave Mr Clinton a 16 percentage point lead).

Mr Dole may ridicule Mr Clinton's ability to produce emotion on demand; but the ready tear in the presidential eye is likely to remain a big asset of the Clinton campaign. Americans demand a level of sentimentality from their politicians that Europeans find cloying. Contemporary culture favours the earnest emotionalism of the president over the adult reticence of the senator.

It was as though he were saying only black people beat their wives, and he emphasised that message by explicitly blaming domestic violence on the welfare system, which primarily benefits black and Hispanic recipients. He was challenged by a Hispanic social worker who said such violence knew no colour but the purple of wifely bruises. Mr Dole mumbled something to concur, but the damage was done.

He sought refuge in his motorcade, only to have second thoughts and emerge to shake a few black hands to match the white ones on Michigan Avenue. But his heart was not in it; unlike the president, who would have spent his time publicly bonding with the victims of domestic violence, candidate Dole could not feel the neighbourhood's pain, or even pretend to do so. He shook the hand of a man who said he was jobless, but then could find little to say to him. Within moments, he was back in the motorcade, and gone.

Such are the moments when stiffness is a handicap, not an asset. There are times when just being the anti-Clinton is not enough.

But the candidate went

The water sector's share price sparkle may be short-term, warn Leyla Boulton and Jane Martinson

## When politics and regulation surface

**W**ater company executives recall with fond nostalgia how their business used to be known as the "silent industry". These days the roar is deafening.

Privatised in 1989, the water and sewerage companies of England and Wales have been in the headlines ever since details emerged of large pay increases paid to top executives. But last summer's water shortages – caused by a mixture of drought and bad management – have redoubled the criticism of the companies.

With fears that such sentiments will encourage a crackdown by the industry regulator or future Labour government, water company shares have recently turned in a lacklustre performance. "But this week, a flurry of takeover bids and rumours has driven up share prices and reawakened interest in the sector.

"At the moment, the focus is on takeover activity, the results and good dividends," says Ms Angela Whelan, water analyst at Crédit Lyonnais Laing, the stockbroker. Since January, water shares have been underperforming against the stock market as a whole – falling 10 per cent below the stock market average in April. This has encouraged companies to announce higher-than-expected dividends in an industry that has in any case offered higher yields than most other sectors. The sector's prospective yield for 1996-97 is forecast to be about 8 per cent higher than the

market average.

On Tuesday, Scottish Power, the electricity company, announced a £1.5bn bid for Southern Water, which was followed closely by a higher offer from Southern Electric. Shares in the sector shot up on the news that water companies were now the targets for other utility companies – raising the prospect of greater interest from abroad and a wholesale restructuring of the industry.

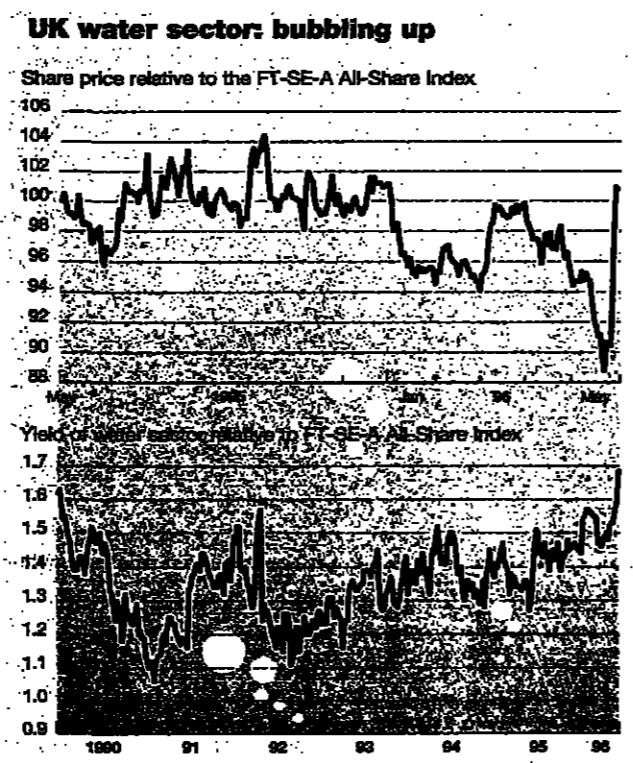
This appears temporarily to have outweighed fears of increasing political or regulatory intervention which have been holding back the sector.

The main fear has been the possibility of a Labour victory in the next general election, which must be before May 22. Labour has made frequent attacks on "fat cat" executive pay and big profits in all the privatised utilities. And it has talked of introducing a one-off "windfall" tax on profits.

For the water companies, the party is considering fines on companies that fail to supply water and an adequate service. A report to the party's National Policy Forum earlier this month argued for curbs on profits to replace price caps.

The main fear has been the possibility of a Labour victory in the next general election, which must be before May 22. Labour has made frequent attacks on "fat cat" executive pay and big profits in all the privatised utilities. And it has talked of introducing a one-off "windfall" tax on profits.

Some industry executives argue the party's mark may be worse than its bite. Mr Chris Mellor, finance director of Anglian Water, which supplies eastern England, says Labour politicians "when confronted



with the reality of power... will make the right decisions – which may be different from what they've said in opposition." And Mr Lakis Athanasiou, analyst at UBS, the stockbroker, believes the market has been "over-indulging in political risk".

But others believe Labour might throw obstacles in the way of mergers. They see the current round of activity as an attempt to push through take-

overs before a change of government. Mr Robert Miller-Bakewell, analyst at NatWest Securities, says he expects "companies to bid soon and bid early to cut in on the process before an autumn or a spring general election".

There are also fears that the industry regulator will take a tougher approach to the water companies – whether or not there is a change of government. Profits are still buoyant

with expectations of further share buy-backs high.

When it became clear last year that the water companies were subject to a price cap that had turned out more generous than anticipated, Prof Stephen Littlechild, the electricity regulator, forced through bigger price cuts. More recently, Ms Clare Spottiswoode, the gas regulator, imposed much tougher price controls on the companies that will be formed by the merger of British Gas.

Mr Brian Staples, chief executive of United Utilities, a company which supplies water, electricity, gas and telephone services, says Ms Spottiswoode had sent "cold shivers down everybody's back".

However, "too much can be read across from gas", according to a water analyst who declined to be named. Mr Ian Byatt, director-general of Ofwat, the water regulator, has so far been the most consistent of the regulators.

But Mr Byatt has stepped up pressure on companies to improve service to customers after last year's water shortages. On Thursday, he called for more generous compensation when supplies dry up. And he said most companies had failed to do enough to tackle leakage from their pipes, losing an average of 25 per cent of their supplies last summer.

His officials warned that companies which fail to reduce leakage to acceptable levels will not get permission to raise prices to finance new investment. While the next review is not due until 2005, he has the

option of a mid-term review at the end of the decade.

Ms Dilys Plant of Ofwat says customers cannot be expected to pick up the bill for incompetent management: "A lot of companies didn't get their supply and demand forecasts right. These companies carry some risk and if they don't get everything right they can't come back to us and say please can we have some more money."

It is last summer's drought that has finally started to shake up the industry's management. The board at Yorkshire Water stepped down after its failure to plan for adequate supplies which led it to bring water in by road tanker at a cost of £47m. And South West Water replaced a top executive after difficulties with supplies and losing its fight with the regulators over its price cap.

Mr Mellor from Anglian, a company praised by the government and Ofwat for its drought management, says the crisis has driven the industry to place more emphasis on pleasing the customer. "The penalties for not doing that have been huge, with boards disappearing and so on," he says.

Pressure on the companies to improve their performance both for shareholders and customers is unlikely to abate. The bid speculation and the forthcoming profits announcements are expected to keep the share prices up in the short term. But in the longer term political and regulatory concerns are likely to resurface.

## A dangerous country to do business in

A wave of kidnappings has hit the Philippine capital Manila

**T**ourists and business executives arriving at Manila's international airport will soon be given a standard safety leaflet.

The advice sheet, which is being drawn up by the Ministry of Tourism, will tell visitors how to avoid being kidnapped during their stay in the Philippines.

Among other tips, the new arrivals will be warned to avoid certain types of taxis, to refrain from getting out of the car if it has been bumped by a vehicle from behind and to avoid conspicuous displays of wealth.

Sensible advice anywhere in the world, it might be supposed. But in the Philippines – recently rated as the most dangerous country in east Asia to do business by the Political & Economic Risk Consultancy in Hong Kong – the kidnapping racket has become something of an institution.

There have been over 600 kidnappings since 1992 according to official statistics, and hundreds more if independent monitoring groups are to be believed.

What the Hong Kong consultancy failed to mention, however, was that almost all the victims are of Chinese origin. Making up about 2 per cent of the Philippines' 68m population but accounting for 60 per cent of its wealth by stock market capitalisation, Chinese-Philippines are the prime target for kidnapping syndicates operating in Manila. The Chinese tendency to invest in liquid assets and their dominance in the banking sector heighten their attractiveness to organised and money-hungry ransom gangs.

Mistrust of the local police – most Chinese are convinced that corrupt police officers take a cut from kidnapping cases – means that few cases make it to police records. "It is a catch-22 situation," said Mr William Chua, a partner in the Yorac Arroyo & Chua law chambers and a Chinese-Filipino. "What is the point of complaining to your kidnappers about being kidnapped? That is just tempting fate."

Mr Chua, who is typical of middle-class Chinese in Manila in forbidding his children to leave home without armed protection, shares the widespread view that the authorities will do little to crack the syndicates while it remains a predominantly Chinese problem.

The last time an American was kidnapped for money in Manila was almost 10 years ago. The response was swift and punitive. Within 24 hours, the victim had been freed. His captors were executed on the spot.

"It is difficult to avoid the conclusion that kidnapping is basically targeted at one specific group in Manila," says Mr Adrian Thorpe, British ambassador to the Philippines. "We don't think there is any cause for panic among foreign businessmen but neither is there cause for complacency. A lot of

British businessmen have 24-hour security guards at their residences. I think that is quite a sensible practice."

At the Saviour School in Manila's Greenhills – one of the many suburbs for the rich surrounded by barbed wire and known as "golden ghettos" – school closing time is a high-security manoeuvre. Dozens of the school's Chinese and Filipino pupils are picked up by discreetly armed guards in dark glasses and forbidding scowls.

Precautions for adults are almost as stringent. "My first rule is only to visit Manila when it is absolutely necessary," says Mr Benson Dakay, head of Shamberry Corporation, the country's largest seaweed exporter based in Cebu, central Philippines.

"Second, only come to Manila on unscheduled flights. And third, vary my routes from the airport, vary where I stay and minimise the number of people I meet."

Ms Teresita Ang See, head of a Chinese anti-kidnapping group and target of several aborted abductions herself, believes there will be no end to the kidnapping problem until the police is reformed root and branch. Kidnapping syndicates, she says, have become so confident that they are starting to accept cheques from their Chinese victims in lieu of ransom cash.

Ms Ang See is viewed as a sensible by the authorities, but Mr Robert Barbers, a former police colonel and newly appointed secretary of the interior, appears to be heeding her advice.

"We believe Manila is as safe a city as any other – which is not to say that there aren't any scallywags in the police," he says. "In my first month, I have removed 150 detectives for corruption. We intend to continue rooting them out wherever they are."

With foreign direct investment increasing by 40 per cent a year, the kidnapping wave has evidently not stopped businesses from putting capital into the Philippines' growing economy. Among leading foreign investors, the Taiwanese have not yet been deterred from investing in the Philippines by the abduction of several of their compatriots – most recently the 18-year-old son of a diplomat who was released last month for a ransom of 1m pesos (\$40,000).

Failure to stem the problem, however, could cast a pall over the country's otherwise impressive economic turnaround. "Chinese-Philippines are not going to start switching their capital from real estate investments to more productive manufacturing-type ventures until they feel a lot more secure," says Mr Chua.

"Whichever way you look at it, ignoring the concerns of the country's most dynamic business community cannot make good business sense."

Edward Luce

## Channel battle with only one winner

The cut-throat competition between Eurotunnel and the ferries means more bargains for travellers, writes Charles Batchelor

**M**ike Allmond set off from London yesterday evening with his wife and nine-year-old son for their regular trip through the Channel tunnel to their cottage near Boulogne in France. Mr Allmond uses the tunnel most weekends and is one of 100,000 Eurotunnel customers to make at least six annual crossings.

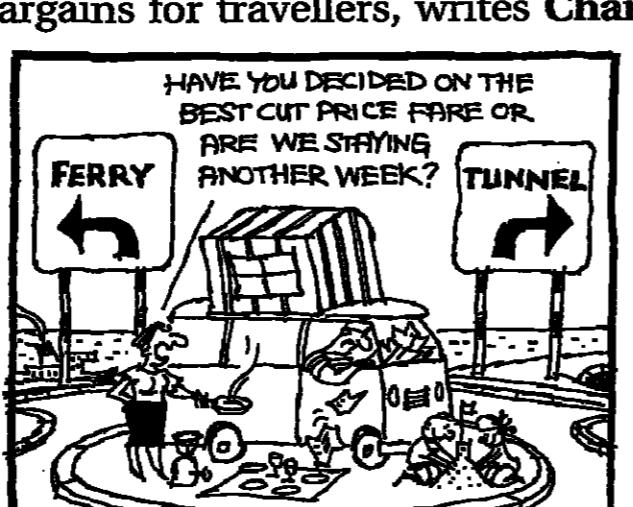
As a Eurotunnel shareholder, Mr Allmond gets a 50 per cent reduction on the ticket price and is a dedicated user of the service after years of suffering what he describes as the overcrowding and inconvenience of the ferries.

He needs no convincing of the tunnel's attractions, but other travellers clearly do: from today, Eurotunnel, the tunnel operator, is seeking to lure extra customers with new discount fares.

Earlier claims that it would not descend to a price war have been dropped. The company is now slugging it out with the ferries in the bargain basement in an attempt to pay off its £3bn (\$12bn) debt.

Holiday motorists from the UK planning their fortnight in the sun this summer will have an unprecedented choice of cut-price travel deals and duty-free offers. Travellers will also have the pick of up to 60 ferry sailings a day and more than 100 "shuttle" train departures through the tunnel.

Travel agents have welcomed the boost that the price cuts will give to the French holiday market, despite the fact that lower fares will mean



ers are going on holiday." For the traveller who is prepared to book 14 days in advance, there is an Apex fare for £39, regardless of the time of day.

P&O and Stena, the tunnel's two main ferry rivals on the Dover-Calais route, have dismissed its latest price reductions. They claim that while some ferry brochure prices may be higher than their special offers and in some instances their regular fares still under-cut Eurotunnel.

"The real meat is the two-week traveller," says Mr Fry.

"People do go across on the shuttle train in Paris but

allowing a day-trip rate of £15 per car plus £1 per passenger until the end of June, when rates rise to £18 per car and £4 per passenger. For the two-week holidaymaker, Stena still offers the best rate of £28.

Meanwhile, P&O has a £16 fare for a car with driver for day trips. Its standard return fares start at £149 but are now approaching their high-season rates of £226.

Ticket prices help to persuade travellers to choose either tunnel or ferry but duty and tax-free sales provide another important incentive. Eurotunnel, which is not

allowed to sell duty-free goods on its trains but can do so at its terminals, slashed prices by one-third last September.

It has expanded the duty-free sales areas at its terminals and introduced a range of VAT-free items as well. A litre of Gilbey's Gin sells for £4.65 compared with the average high street price of £14.15.

Once on the shuttle train, the traveller experiences a very spartan service, waiting in or beside his car in a brightly lit aluminium box, although Eurotunnel is considering installing interactive terminals to allow travellers to place duty-free orders.

But the ferries too are continually improving the quality of service. Stena is spending £2m on upgrading the Stena Emperor, which is to be moved from the Baltic to the Channel next month.

But financing these improvements is difficult while the ferry companies remain locked in competition with each other. As a result, P

## MARKETS REPORT

**Mighty Pound**

By Philip Gauthier

Sterling was yesterday the toast of the currency markets after another strong performance saw it finish the week with substantial gains against both the D-Mark and the dollar.

The pound closed in London at DM2.3656 against the D-Mark, 3% premiums up on the close a week previously of DM2.3319. Against the dollar it closed at \$1.5434, from \$1.5219. The closing price on Thursday were DM2.3515 and \$1.5349.

The trade weighted index finished at 86.3, up from 85.6 a month previously.

Unusually, sterling's rally came against the background of a correction in the dollar which closed at DM2.3705 and Y108.1, off intra-day highs of DM2.3835 and Y108.6. Most of the time sterling tends to lead from the dollar.

There was little movement in Europe with currencies

mostly range-bound against the D-Mark.

Sterling's rally is essentially a "catch-up" phenomenon. In recent months, high-yielding European currencies have rallied sharply, helped by the weakness of the D-Mark, and heightened optimism that the European single currency project will proceed.

Gilts and sterling mostly missed out, but now appear to

be catching up. Mr Neil MacKinnon, chief economist at Citibank in London, reported corporate buying of sterling. He said a lot of fund managers also considered sterling undervalued. "They feel that with a lot of the devaluations, like the peseta and escudo, doing well

## Dollar

May 31

Open

Change

High

Low

Bid/offer

Spread

Rate

WPA

One month

Rate

WPA

Three months

Rate

WPA

One year

Rate

WPA

Bank of

Eng. Index

May 31

Open

Change

High

Low

Bid/offer

Spread

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One month

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Three months

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Three months

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WPA

One year

Rate

# Weekend FT

As Michael Howard seeks to send more people to jail for longer, Mark Suzman examines the UK's penal policy and finds it failing the Winston Churchill test

## The rights and wrongs of locking up more criminals

*"The mood and temper of the public in regard to the treatment of crime and criminals is one of the most unfailing tests of the civilisation of any country."*

Winston Churchill

If the nation's leading judge is to be believed, the test that Churchill set in 1910 when home secretary is that British society is failing. Lord Taylor, the outgoing Lord Chief Justice, has recently launched a furious tirade against the prisons policy that Michael Howard, current home secretary, says the public is demanding.

And Lord Taylor is not alone. His criticisms have been widely echoed by other senior members of the bench and a diverse array of lawyers, politicians and prison officials. Even the Archbishop of Canterbury has ventured on to secular ground to challenge a system weighted "too heavily in favour of imprisonment".

The immediate objects of these attacks are the government's proposals, currently circulating in a white paper, to introduce a variety of mandatory sentences for criminals, ranging from life sentences for second-time violent offenders to tougher minimum sentences for drug dealers.

But underlying the furor is a much deeper debate about the proper role of prison in the criminal justice system.

Over the past three years the UK's prison population has expanded rapidly from just over 40,000 to its current total, a new record, of more than 54,000. Even Howard admits the new proposals will lead to a further rise of at least 11,000 inmates, and independent analysts calculate that they could increase what is already Europe's largest prison population by up to 30,000.

With prison space and money both at a premium, the inevitable corollary is overcrowding, declining prison conditions and growing despair among prisoners.

"Things aren't too bad yet, but the real problem is that the mood is rapidly deteriorating."

says Andy Chaplain, a former inmate, who was recently released after serving four years in three prisons. He now works for a Birmingham helpline for prisoners' families, and warns: "If people think there's no hope of more improvement, suicide and violence will both rise."

But the thought that his policies are upsetting convicted criminals is more comfort than concern for the home secretary. Exploiting populist images of prisoners lolling

**Detailed instructions used to be issued to prisons on how to make food taste and smell bad**

around watching television, Howard says he is merely following the will of a public sick of lenient judges and permissive prison regimes.

That may be true. Opinion polls consistently show that most people favour retribution and deterrence ahead of rehabilitation as goals for punishment. As Norval Morris, a law and criminology professor at the University of Chicago, writes in the recently published *Oxford History of the Prison*, the public "has always overwhelmingly supported whatever punishments were inflicted as a means of reducing or preventing an increase in crime".

But if attitudes to punishment have been relatively unchanging, its form has not. The widespread use of long-term imprisonment is a relatively recent invention. Historically, alternatives have included whipping, mutilation, deportation and branding, as well as forms of execution ranging from hanging and drowning to decapitation.

For the greater part of the last century, however, in



Britain as in most western democracies, prison has been the favoured form of dealing with criminals. At the same time, driven by a mixture of humanitarian and pragmatic impulses, conditions within prison have improved out of all recognition from the hellish cells that characterised latter-day Victorian England.

Some of Howard's critics feel, however, that when he talks approvingly of a "decent but austere" prison environment, it is such an environment he envisions. After all, his proposed prison building programme would be the largest undertaken in Britain since the penal system adopted the triple imperative of "hard labour, hard board and hard fare" goals derived from the 1855 Prisons Act.

That law was itself a response to growing public outrage at the "indulgent" treatment of prisoners. It sought to make prison life a regimen of misery and pain so unpleasant that it would act as a genuine deterrent to crime. Clothing was deliberately rough and ill-fitting and prisoners were forced to exhaust and injure themselves by walking on treadmills or turning the crank for between six and 10 hours a day. Worst of all were the poor diets - detailed instructions used to be issued to prisons on how to make food taste and smell bad

reformism came only five years ago in the wake of the Strangeways prison riots in 1990, and followed a full inquiry into the prison service drawn up by Lord Justice Woolf, who is about to become Master of the Rolls, and Judge Stephen Tumim, then chief inspector of prisons.

It was this latter aspect that Oscar Wilde found unbearable during his own imprisonment in Reading jail, prompting his evocative descriptions of "Lean hunger and Green thirst". Michael Davitt, the jailed Irish nationalist turned MP, recalled seeing men eat candle ends, boot grease and even a used poultice to stave off hunger pains.

Even those dire conditions, however, conspicuously failed to reduce crime significantly, let alone stamp it out. Recognising this, penal philosophy began to change after the turn of the century and prison regimes have improved steadily, albeit in fits and starts, along with the general rise in living standards.

By and large, the government accepted the report's

recommendations and incorporated them in the 1991 Criminal Justice Act. In subsequent years the prison service has met most of its targets in these areas and the results have been salutary. Overall, escapes, assaults and suicides have all fallen.

Since Howard became home

**Nearly 60 per cent of prisons are already having to cut services such as education**

secretary, however, this has been taking place against the backdrop of a tighter budget and a government agenda that has switched back to old-fashioned criminal deterrence. The inherent contradiction between those two goals has now been exposed.

As things stand, the prison service is facing a 13 per cent budget cut over the next three

years, and even the government recognises that this makes the worsening of prison conditions all but inevitable. The latest Home Office spending plan, for example, puts forward the goal of ensuring prisoners have proper access to sanitation at all times - but attaches the telling proviso "provided the prison population does not increase significantly above current projections".

Some experts are worried that the whole programme is being implemented on a premise that remains completely unproven. As Professor Andrew Rutherford, chairman of the Howard League, a prison reform group founded to commemorate the great 18th century prison reformer John Howard, points out: "The 1991 policies have been ditched and the new proposals announced

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John Plender

## Guards at the gates of power

Labour's ambition is sparing Major any statesmanlike opposition to his absurd beef war

**T**he wisdom of 19th century Whigs on the duty of the opposition could, according to Lord Derby, be summed up cynically and simply: oppose everything and propose nothing. After a week in which Labour has signally failed to offer a clear-cut alternative to the Tories' banana republic diplomacy in Europe, that minimalist view seems to have achieved a new degree of refinement: oppose everything, apart from anything tricky.

There are few more accomplished purveyors of parliamentary invective than Robin Cook, the shadow foreign secretary. Think what he might have done with a war cabinet fulminating over gelatinous, tallow grease and bull's semen. Instead of bringing ridicule to this Lilliputian enterprise, he has been outlining his agenda for maximising the benefits of Britain's position in Europe, while simultaneously offering (marginally qualified) support for a government policy on beef that can only minimise those benefits.

What makes this stance even odder is that it goes so much against the grain. In a

thoughtful article on the intellectual underpinning of Labour policy in the latest issue of Prospect magazine, Tony Blair declares that Britain's place in Europe and the rest of the world is one of two big questions to which his party must provide answers. So why is there no room for statesmanlike opposition to John Major's absurd beef war?

Perhaps those of us who are not exposed daily to the tabloids have a poorly informed grasp of British interests in Europe. Hum. In fairness to Labour, the task of educating the electorate (and newspaper editors) on the complexities of multilateral diplomacy is a relatively new discipline in British political life.

More importantly, Blair's aspirations, in relation to Britain's role, look dangerously ambitious. Since the collapse of the Berlin Wall, no country's place in the world can be taken entirely as read; and since the rise of the Asian economies, even Europe's place in the sun is disputed.

The snag is that while one advocates slavish adherence to the habits of Germany or Japan, these models still raise formidable conceptual and practical difficulties. For a start the preservation of German inclusiveness before uni-

fication depended on treating guest workers as non-citizens and women as second class citizens, notably in the labour market.

Since unification, social cohesion has been preserved in the west only by inflicting an uncompetitive exchange rate on the east. This political

What has stakeholding to offer? Not much before the election, it would appear

and economic fix, engineered at the behest of West Germany's powerful unions, ensures that east German workers are excluded from participation in anything other than a depressed regional economy.

As for Japan, the country's best companies are indeed run in the interests of stakeholders, and more especially the employees. Yet the proportion of the workforce that ben-

efits from lifetime employment is relatively small. Outside the large companies in the tradeable goods sector, Darwinism prevails and the labour market is harsh. Minorities such as the Koreans and even the few remaining ethnic Japanese, the Ainu, are not kindly treated.

If Labour is to invest the idea of stakeholding with real meaning in a British context, it has to amount to something more than this kind of limited, privileged inclusion. It follows that the dividing line between the welfare system and the labour market should be redrawn to remove the present constraints on upward mobility. That brings us back to all the old questions about the incentive effects of means-testing versus universalism. What has stakeholding to offer here?

Not much before the election would appear to be the answer. Only a short while ago, Chris Smith, shadow social security secretary, was told by Tony Blair to go away and think the unthinkable. In the light of recent statements, the full text must have read: think the unthinkable, but don't dare speak the fiscally

unthinkable. Gordon Brown, the intimidating Cerberus who guards the gates of political office will have none of it.

Radicalism in this area has to be as much about taking as giving - witness Mr Brown's position on child benefit. Or it remains the preserve of Frank Field, who will shortly reveal actuarily approved figures for the cost of his plan to rebuild the pension system with much greater compulsory private participation. It is not clear whether his locus in the debate is, as the philosophers would say, necessary or contingent.

This side of the election, stakeholding cannot be allowed to mean more than Fabian gradualism, mixed with Scottish puritanism. After Labour's experience with its tax proposals before the last election, who can blame Mr Blair? For the record, I should declare that I had a refreshing conversation at Westminster this week with Labour politician who gave straight, radical answers to all my questions. But then Tony Benn (for it was he) has long since abandoned the active pursuit of power.

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## PERSPECTIVES

**S**ome years ago, a three-year-old boy surprised a friend of mine by identifying the make of her new car. Asked how he knew, the child said, "I read it", and repeated the manufacturer's name while pointing to the logo on the hubcap.

However, as the little boy no doubt began to discover shortly afterwards, deciphering written English is much more complicated and infinitely more flexible than recognising logos and trademarks. Once we know "phonics", as the rules that link written letters to sounds are known, we can read and pronounce words that we have never seen before.

We can even give consistent pronunciations to nonsense words invented by researchers studying reading abilities.

Teaching children how to read English is a subject that excites heated debate among parents, teachers and politicians.

About 20 years ago, the traditional approach of teaching phonics was discredited because it was too

difficult for many children.

A new method was introduced. Instead of being taught a host of arbitrary rules (and exceptions), children were given real books to read. The stories were exciting enough to engage their attention, making it possible to guess those words that they did not know.

Almost overnight, learning to read stopped being difficult, boring and hard work and became an exciting combination of storytelling and guesswork.

The "real books" method swept across the US and the UK. But it has now become clear that it does not suit all children, provoking a backlash in favour of traditional phonics.

However, researchers have also been studying how children learn to read. Usha Goswami of the Department of Experimental Psychology at Cambridge University says that not only can research explain why traditional methods are difficult for some children, it can also suggest improvements.

Several studies have shown that awareness of phonology - how the sound of a word can be broken down into component sounds - is fundamental to success in learning to read. Children with poor phonological skills have difficulty learning to read.

According to Goswami, 80 per cent of dyslexics have poor phonological skills and the remainder

have a visual problem. John Stein of the Department of Physiology at Oxford University suggests that both the visual and the phonological problems of dyslexics have a neurological origin.

Awareness of alliteration and rhyme are among the first phonological skills to emerge.

Children usually learn to break a word into its component syllables, and to separate a syllable into its onset - any consonants that precede the vowel - and its rime - the remainder (not to be confused with rhyme) - before they go to school.

Naturally, readers of the FT will all be able to identify rimes and onsets, but an example may help to clarify the terminology: the onset

of the word flight is "f" and its rime is "ight".

According to Goswami, children with good phonological skills use rhyme analogies to work out how to pronounce unfamiliar words. English spelling is much more regular at the level of the rime - there are also words that share the rime "igh" and it is pronounced the same way in all of them.

Traditional phonics concentrates on single letters and phonemes, the smallest units of words. There are several reasons why this causes difficulties.

First, the ability to split a word into phonemes does not develop until children have been learning to read for about a year. It never

develops in people who do not learn how to read, although illiterate adults and pre-school children can usually do tasks based on rhymes and onsets and use similarities between rimes and onsets to help them to pronounce new words. For example children are more likely to use the similarity between the words "beak" and "peak" which have the same rime and "bear" which have the same number of phonemes in common but different rimes.

Second, single phonemes, particularly consonants, cannot be pronounced in isolation. The "B" and the "G" in bag come out as "uh" and "guh". It is not immediately obvious to a child that "uh" fol-

lows by "a" and then "uh" should be pronounced "bag" rather than "butaguh".

The irregularity of English spelling is also a problem. This is probably the most important reason for the failure of traditional phonics. The method continues to be successful in languages with regular spelling, such as Spanish and Italian.

Goswami recommends that teaching strategies should aim both to enhance children's phonological skills and also, much more importantly, to exploit these skills as they develop. She is editing a series of children's books to help children use rhyme and analogy in reading.

Sadly, neither the rules of phonics nor an awareness of rhyme and analogy would have helped our precocious three-year old to read the name of my friend's car: it was a Renault.

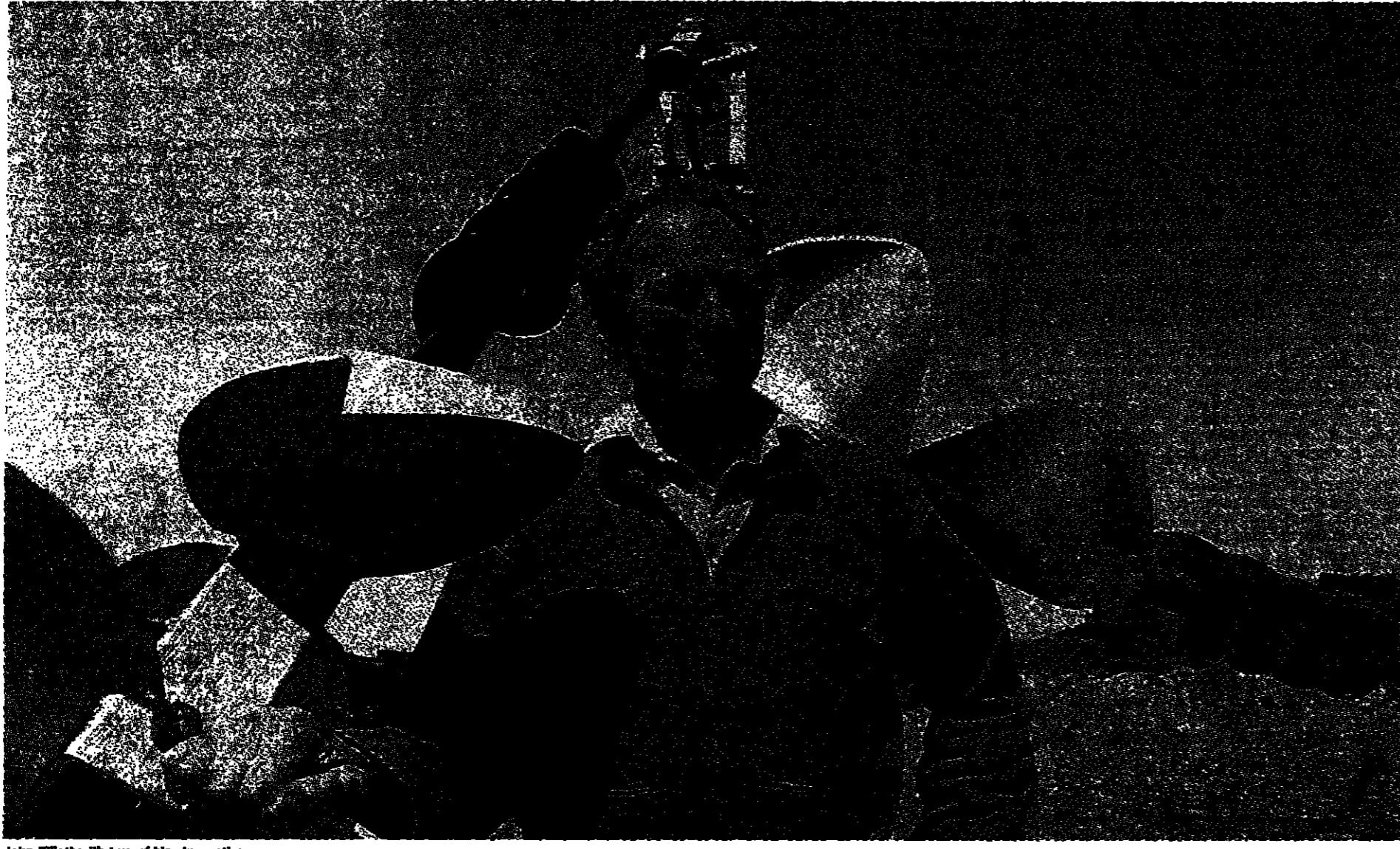
*"Rhyme and analogy story rhymes," Usha Goswami, OUP 1996.*

*■ The author is professor of psychology at the University of Nottingham.*

## The Nature of Things

# Find the rhyme and then the reason

Andrew Derrington on why teaching children to read is more than a matter of logos and trademarks



John Elliott with two of his slurry stirrers

## Home Truths / Andrew Jack

# Chewing over an art form with taste

**U**ncovering the "art" of Gilbert Descoxy is about as easy as tracking him down. He has changed addresses frequently, the galleries in which his work has been displayed have closed down, and he is contemplating moving even more inaccessibly to Morocco.

Resolving to meet him after seeing his highly unusual "art" at an open day in a studio in Montmartre recently, I was directed to another gallery. More of his work was on show, but he had just left. The proprietor telephoned three studios before we found him. It took another day to arrange the rendezvous, hours before he vanished again from Paris.

Gilbert Descoxy is probably the only sculptor in the world of his kind. He has two unusual characteristics: his tools, which are his teeth and tongue; and his material, chewing gum. None of this is clear when you first glance at his work. Rows of neatly framed boxes, each about the size of a book perch on the wall. Every one contains a small sculpture, and below it a photograph surrounded by a series of handwritten sentences.

Amid the displays of other Parisian artists - suspended pieces of burnt wood, imitative lithographs and innumerable abstract oil paintings - it had a certain air of originality. Whether it is art may be open to question, but Descoxy has a good story to weave around his work. Although born in France, he spent much of the 1960s in Algeria, as a professor of design. It was there that he says he first became intrigued by chewing gum. In its multiple colours, it has great appeal.

He is also about to embark on his first important French sales campaign. "British farmers have such closed minds. Selling to them has been enormously difficult," Elliott said. "Despite proving to countless farmers that the machine works, I still have great problems convincing others that you can rotate a tube in slurry, transferring 140hp to the task of stirring the mix without mechanical failure."

"In France, there is good potential business as the legislation on slurry has just been greatly strengthened. But the French are so keen to support their own producers that I fear it might be even harder to sell to them."

"I find the challenges of developing a range of slurry stirrers fascinating and I think I made the right decision to part with the cattle to concentrate on the machines. But I admit that I have yet to prove the truth of the old adage that where there's muck there's money."

■ *Mix It Slurry Stirrers, Little Chilton Farm, Loddiswell, Kingsbridge, Devon TQ7 4EG. Tel: 01542 550238.*

"blind" - entirely manipulated in his mouth using his tongue alone. Each work takes between 10 and 30 minutes, and is then accompanied by a diary entry, listing how long it took, the flavour of the gum, where he was while at work, and important events taking place in the world at the time.

He began by creating letters of the alphabet, making one each day to spell out words such as *bouche, dent* and *longue*. In the last few years, he has produced words in Arabic, and turned to more figurative subjects, including teeth, body parts and whole people - walking, carrying objects, crucified or dead. He is now working on a series inspired by the burghers of Calais.

He has produced nearly 4,000 works, half of them framed, each of them selling for FF1,000, with discounts for

**H**e is not sponsored by gum makers, although some have bought pieces

bulk purchases. "I have never sold a whole month, but sometimes whole weeks," he says. But the market at the moment is not so good, and he has no exhibitions planned. "At the moment people are buying more classical stuff."

Descoxy says: "The Americans and the Dutch tend to be more receptive than the French, who are less trusting. Some people enter into the spirit of what I'm doing, others reject it entirely."

One reason is that "people have difficulty with art that comes from the mouth. It touches something sacred, which has less value than other parts of the body." Even in his work with disabled artists who hold a paintbrush in their mouths, he is struck by the fact that they try to use the mouth like their hands, not for its own qualities like him.

He has not been sponsored by chewing gum manufacturers, although some have bought pieces. "They disagree with my interpretation, they think the gum should be associated with life, and once it is framed it is dead."

For him, gum is too often associated with youth. "For me it is a provocation," he says, stressing that he intends to chew away daily, moulding increasingly complex patterns

them in the context of planned staffing cuts of over 3,000, they are stupid and dangerous."

Nevertheless, today's reformers remain hopeful that, just as the failure of Victorian hard fare gave way to a more enlightened environment, improved penal regimes and rehabilitation will once again become a priority.

"Howard won't be home secretary for ever and we have witnessed swings in the penal pendulum before," says Nick Flynn, deputy director at the Prison Reform Trust.

The mission statement of the prison service requires it "to look after [prisoners] with humanity and help them lead law-abiding and useful lives in custody and after release".

It is a goal derived from the best British humanitarian traditions. In the current UK political and fiscal climate it is one that is likely to prove increasingly difficult to meet.

## Minding Your Own Business

# Stirring muck to make money

Clive Fewins

**F**armer John Elliott describes himself as "one of those people who cannot walk past a machine without wanting to take it apart". When he took up farming in 1980 and moved with his family from Surrey to the south Devon village of Loddiswell, he could not find an efficient machine to stir the manure in his slurry pit.

"I could not understand how neighbouring dairy farmers put up with using tractor-driven machines that were ridiculously time-consuming and inefficient and needed a huge amount of fuel for very little end result," he said.

"Slurry is extremely important to beef and dairy farmers as it is spread on the fields as fertiliser where it helps to feed the worms and to grow prime grass for hay and silage. If it is not stirred well before being extracted, it is almost impossible to spread and the quality becomes patchy."

In the mid-1980s he experimented with new designs. But in 1989, a financial crisis, following several bad summers that resulted in poor feed crops, almost put him out of business.

It was not until the following year,

when he received a cash injection of £200,000 from the sale of his shares in the family-owned south London cleaning supplies company, of which he had been a director, that he was able to take the project forward.

It is a venture that has engrossed him for the past six years. He has built and sold 165 machines, but has yet to make large profits.

In April, Elliott again thought tough times were upon him. "Following the BSE scare, the phone almost went dead. I did not receive a single inquiry, let alone an order, for a slurry machine for six weeks," he said.

Business picked up and the order book is now quite healthy. However, Elliott often contemplates the wisdom of the decision he took in 1980 to sell his herd of 65 prime Jersey cattle and concentrate on the machinery.

"The machine was much more robust and powerful than its predecessors," Elliott said. "I had undertaken slurry stirring on a contract basis with my prototype machine and client farmers said it did more work in an hour than their own machines could achieve in half a day."

He managed to gain his first 10 orders as a result of the contracting work, which helped to ease his financial problems, and also from taking the machine to an agricultural show. He gradually refined the design and sales steadily increased.

Elliot's new stirrer was a simplification of his original machine, which had a shaft and a housing. The new

machine did away with the shaft, using the tubular housing to rotate and perform the same function. As with the original machine, one end is attached to the rear take-off shaft of a tractor and the other placed in the slurry lagoon with the propeller-like stirring device attached.

The new arrangement has enabled Elliott to remove all vulnerable bearings from being immersed in the slurry and also to increase the size of the propeller, which had been limited by the design of the previous machine.

"In a good year, I could make \$20,000 profit on the dairy farm. I loved it and still miss the wonderful smell of the Jersey," Elliott said. "However, I also loved my slurry stirrers and I decided you cannot love too many things at the same time."

Today, turnover of Mix It Slurry Stirrers is \$80,000 and profit around £10,000. The farm turns over £12,000. Elliott has developed a tower version of the machine, which sells at \$4,400 - nearly £3,000 more than his basic machine. But the margins on this version are lower as he is unable to add the same proportion of mark-up as he does on the standard machines.

He is now concentrating on a model that has a separate power source and a telescopic handle. Elliott thinks this version might be suited to slurry handling applications in industries such as water processing and mining.

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But does it really? The best case study for assessing the validity of that belief is the US, where bulging jails now hold more than 1.5m people. This is far by the largest per capita prison population in the world and a number that has tripled in just 15 years, quintupled in the last 25.

Although prison regimes vary widely, there has also been in the US a notable toughening in overall standards, with boot camps becoming more common for young offenders and chain gangs for disobedient ones. The death penalty is increasing too and is now legal in 37 states.

More pertinently, it is in the US where, despite equally vocal opposition from the judiciary, mandatory sentencing has instituted a version of its own.

In consequence, arrests have soared and both courts and the prison system have become gridlocked. Enormous prison building programmes have given rise to what has been termed the "prison industrial complex" - a self-reinforcing alliance of private prison companies and lawmakers with an agenda of continuing the expansion of the prison system.

Part of the reason for this building bonanza is that crime has started to fall in most big US cities, and politicians have not hesitated to link this happy circumstance with the rising prison population.

But the correlation is far from proven. In his attacks on Howard, Lord Taylor dismissed the notion that US sentencing practices helped reduce crime as little more than "wishes thinking".

Morris is even more scathing: "It is political irresponsibility that has generated the cancerous growth of imprisonment," he asserts.

Irresponsible or not, Britain research seems to support him.

"In both the US and the UK over the last 20 years one of the few things on which researchers have agreed is that the certainty of punishment is a stronger deterrent than the type of punishment," says David Faulkner, senior research associate at the Centre for Criminological Research at Oxford University.

"Of course locking up huge numbers of people in America has some effect on crime but it's very expensive, and it's not proof that either tougher sentencing policies or prison regimes are successful."

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## PERSPECTIVES

Lunch with the FT / Lucy Kellaway

## A hairdresser who lifts, thickens and shines

**S**orry, we're full," said the woman at Le Caprice, when I phoned to book a table for lunch. That's a shame, I said, because I'm having lunch with Nicky Clarke. Hearing the name of the hairdresser famous for cutting the hair of royalty, supermodels, and every other woman you have ever heard of, and famous for charging £100 a go, she changed her tune. "I'll see if I can fit you in."

So on the appointed day I arrived at London's most fashionable restaurant, and there was London's most fashionable hairdresser, his black garments toning with the black and white decor. He could have been mistaken for one of the black-clad waiters were it not for his hair. Theirs was sleek, dark, nicely cut. His was a mane of red-blond, worn in a style that reminded me of the Bee Gees. But more of his hair later.

"Nicky!" he said shaking my hand warmly. Instantly we were old friends. He had already ordered a Margarita, which came in a dainty glass with a pretty salty rim, and I decided to join him. I told him about the magic effect his name had had when booking the table, and he seemed well pleased.

"It's one of the few advantages of doing what I do. There aren't many. I get taxi drivers shouting at you, you know - 'Nicky, give us a haircut' - it's a nightmare."

We started a careful, thorough contemplation of the menu. "I'd like the tuna, but I'm not allowed the spiced lentils it comes with." He explained he was on a diet - the name of it sounded vaguely French - which forbids such things as carrots or potatoes and lentils.

"I was getting a bit soft around the middle, and I needed to lose a stone."

"Ridiculous!" I said. "You're not fat."

He undid the gold buttons on his jacket. Underneath he was wearing a black, skin-tight, silky top tucked into black trousers. That's how he looks when he's got a tiny pinch of flesh above the black belt. "I've still got a bit further to

go," he said.

He told me about how he goes to the gym, and dreams of developing a figure like Arnold Schwarzenegger. I said I would find it intimidating if my hairdresser had so much muscle. "Maybe you're right." He laughed and tossed his hair, sweeping it back with his hand, knocking over his almost empty drink as he did so. "Does that mean I can have another?" he asked.

With his second Margarita come our starters, mine a lovely concoction of tomatoes, pastry and basil, his a mountain of ham and cheese that did not look in accordance with any diet.

Rather than a Schwarzenegger lookalike, I said that what I wanted from a hairdresser was someone who would not only

Apparently, even on their off days, both he and Picasso are still pretty good

cut my hair well but who would also be entertaining to talk to.

"Don't say that!" It seemed I had made a *faux pas*. Apparently, hairdressers in his league most definitely do not talk while they work. "Sometimes I don't say a word."

This was a disappointment, because I had planned to find out what he and the Duchess of York talked about as he cut her hair. I later discovered that he could not have told me anything; he had been made to sign the Official Secrets Act.

"Going into Buckingham Palace for the first time was amazing. Especially for me, being brought up in the Old Kent Road. I don't care what the media say about the Duchess of York. She is actually really

French - which forbids such things as carrots or potatoes and lentils.

"Does Fergie owe him money, as the tabloids have claimed?" "No! Of course not!"

He had come along to Downing Street to do Margaret Thatcher's hair. I was sur-

prised at the admission: if I were a hairdresser I would have kept quiet about having had anything to do with her. He quickly explained that he only did her hair once - a nine-minute session before she had her picture taken for *Vogue* magazine.

"I know this will sound unpolitically correct but I love her, and I loved her policies. It was such a mistake what they did."

I asked if he was star struck, expecting a standard denial. "I am, definitely, but I hope I am too cool to show it. But I did nearly blow it the other day, when I cut David Bowie's hair, and I showed that I knew a bit too much of his back catalogue."

So what was Bowie like? "Charming, absolutely charming." (I was getting the idea that this was a description to fit all his clients.)

Does it feel the same if you are cutting the hair of someone famous? "No, it's different when someone's job depends on what you do to their hair."

As we started to eat our main courses (swordfish and roast peppers for me and lamb and forbidden potatoes for him - he told me in detail what a Nicky Clarke hair-do consists of). First there is a long discussion. Then he sketches from three angles. Then more discussion, refining the sketches. Then he cuts.

Does he ever have an off day? "If you can do something really well, then you do it on auto pilot. I mean, it's like Picasso. Not that I'm really comparing myself to Picasso..." He then went on and did just that. Apparently, even on their off days, both he and the great artist are still pretty good.

For such a service there is a great demand. He explained with pride the complex rationing system he uses to make sure valuable appointments are distributed fairly. At 8.30 every Monday morning the phone lines open to take bookings for the week beginning 13 weeks hence. Ten minutes later four telephonists have booked him solid.

I remarked that this is the sort of scarcity value normally associated with utility privatisa-

sation issues. He looked puzzled and said that it is his wife who handles the business side.

But why not charge a lot more: if so many people want him to cut their hair, why not ration by price and charge £400 or so? "We could do that," he said. "People would probably pay £400, but I couldn't do it. It's too much for a haircut."

Anticipating my objection, he went on: "You could say that £100 is too much." But he then explained how his haircuts can make a woman feel

really good about herself.

"You can pay a lot of money for an Armani suit, or you can get one at C&A." He touched my suit doubtfully. "Are you interested in fashion?" he asked.

I found this a little hurtful: my suit was new, it was one of the most expensive things I had ever bought, and everyone in the office said I looked really smart.

"But let's not get too serious," he said cheerfully, possibly mistaking my downcast

look. "It is not brain surgery, we are talking about. We are not talking about the Bosnian war. It is hairdressing."

I shifted the discussion to his appearance. Why is it, I asked, that hairdressers' own hair is often so, um, unstructured?

"Maybe it's because they are mostly men and don't want a blow-dried bouffant." But surely he blow dries his, I said.

No, he said, he didn't.

But why is it puffed up nicely above his head, whereas most people's hair lies down on

their scalp? "After I come out of the gym, I put loads of product on it."

I asked if I, too, could be helped by "product", and if so, which one I should buy. He glanced at my hair, and said without hesitation: "Lift, Thicken and Shine."

If I came with him back to his salon (where his 8.30am was waiting), he'd give me some. I paid the bill (£30 with tip, which at half the price of the haircut was a bargain) and we walked over to his salon in

a corner of Berkeley Square. He instructed the sleek girl behind the desk to give me a bottle of his own brand, Hairomatherapy, and then escorted me out onto the pavement.

"I must give you a 30 second lesson on how to use it."

Touching his own hair, he tweaked, pulled, and said something about blow drying it away from the roots.

Once in the taxi I took the little silver bottle out of my bag and looked at it. "For badly damaged hair," it said.

## The sole survivor

Michael Shaw Bond visits Buddhist monasteries in India and Tibet

**I**t came as a vast disappointment to set eyes for the first time on Tabo monastery, in northern India's Spiti valley. From a distance, one of the Buddhist world's most important homes of historic art looks less like a monastery and more like a drab collection of mud-brick bungalows, indistinguishable from the village that has sprung up around it.

But once inside, my disenchantment faded rapidly. The monks were in prayer and it was dark, except for a clutch of candle-flames flickering in the middle of the darkness as if suspended there.

There were sounds of chanting, an incessant drum-beat and the occasional crash of cymbals. The only movements were the flickering of the candles and the blur of the drummer's arm falling through the shadows. In the dim light I could make out the ancient faded murals depicting scenes from the life of the Buddha which have given Tabo its reputation as a Buddhist jewel.

They are also very, very old. This month, the monastery celebrates its 1,000th anniversary. It is hosting a two-week Buddhist festival which will be attended by thousands of believers from India, Tibet and all over Asia, including the Dalai Lama, the exiled Tibetan leader. Many are also expected from the west. The monks have been preparing for months for this occasion, and there was a mass of construction work at the time of my visit.

The presence of the Dalai Lama at this festival is significant; for Tabo is more Tibetan than Indian. The Spiti valley is as isolated and as high as Tibet; it is cold, the air thin.

The religious writings on the monastery walls are in Tibetan; everywhere there are paintings of the great Potala Palace in Lhasa and past Dalai Lamas, images of Maitreya and Tara and other Tibetan deities. Even Sonam Wangdu, the head monk, is a Tibetan, and was formerly at Gaden monastery outside Lhasa. He escaped to India at the same time as the Dalai Lama, settling in Spiti in the mid-1970s.

There is, though, a crucial difference: Tabo is an active monastery with a full complement of monks who recite scriptures and carry out unbroken the same religious duties as their predecessors 1,000



The Spiti valley in India: Buddhism is under threat in Tibet. Michael Shaw Bond

years ago. No monastery in Tibet has the luxury of such religious freedom. Indeed there are few senior monks still working in Tibet, most having been killed, imprisoned or forced into exile by the Chinese since the invasion in 1950. Those remaining are severely restricted in their practice of Buddhism.

You do not - in theory - have to travel far from Spiti to compare the fortunes of its monks with their counterparts in Tibet itself. Tabo is just a few kilometres from the Tibetan border, and less than 100 from the old Buddhist kingdom of Guge and the monastic towns of Tholing and Tsaparang in western Tibet.

In reality it is virtually impossible to reach Tholing directly from Tabo - the Himalayas and the Chinese border guards see to that. Instead you must cross into Tibet from Nepal or mainland China and travel for weeks on dirt tracks across the high deserts of the Tibetan plateau.

The Guge kingdom, with Tholing as its religious centre, is one of the most inaccessible places on Earth, hidden in the labyrinthine canyons of the Sutlej river. In the 9th century it was the last refuge in Tibet for Buddhism, which had been introduced from India 200 years earlier but was at that time heavily persecuted by followers of Bon, the older, established Tibetan religion.

Later, the rulers of Guge encouraged the re-introduction of Buddhism to the rest of Tibet, the so-called "Second Diffusion". Tholing and its founder were at the heart of that renaissance.

Rinchen Zangpo, a Buddhist translator and one of the most

revered teachers of his time, founded more than 100 monasteries in the borderlands of western Tibet and northern India, employing Kashmiri artists to decorate them. The paintings at Tholing are similar to those at Tabo: bold and fantastically detailed, dignified in their faded elegance. But because of the Chinese occupation of Tibet those at Tholing are in a terrible state.

I was shown around Tholing monastery by one of the few monks still allowed to live there (in pre-Chinese days there were several hundred). He regretted that because all the senior monks had been killed by the Chinese soldiers or had fled to Lhasa or elsewhere in India there was no one at Tholing who could divine the meaning and history of its religious drawings.

**T**his is the great threat to Tibetan Buddhism - the country over - that its great scholars should die before passing on their knowledge to the next generation. It is also why the study and worship going on at Tabo and other Tibetan Buddhist monasteries in Spiti and Ladakh is so important. These places are the last remaining links in the unbroken chain of teaching which goes back to Rinchen Zangpo's era and beyond.

My monk guide took me into one of Tholing's main chapels, irreverently used as a wood store by the Chinese soldiers in the 1960s and yet to be cleared. It is a wreck. Nine out of the 10 Buddha statues which surrounded the large central image have been removed and the murals are streaked with lines of moisture from the leaky

ceiling.

Still standing are several heavy wooden columns, an indication of the former wealth of the Guge kingdom: the nearest trees were in India and had to be carried across the Himalayas.

One wall painting in particular stands out in this chapel: it is vast, consisting of a series of scenes from a sky burial which depict the devouring of human limbs by hungry vultures. But it has been vandalised, and every vulture in it decapitated, the heads gouged out of the plaster by a chisel.

A neighbouring chapel is entirely without a roof. The wooden door at the front was padlocked and my monk said he did not have the key and was not allowed in because of a "dispute with Beijing". He did not elaborate.

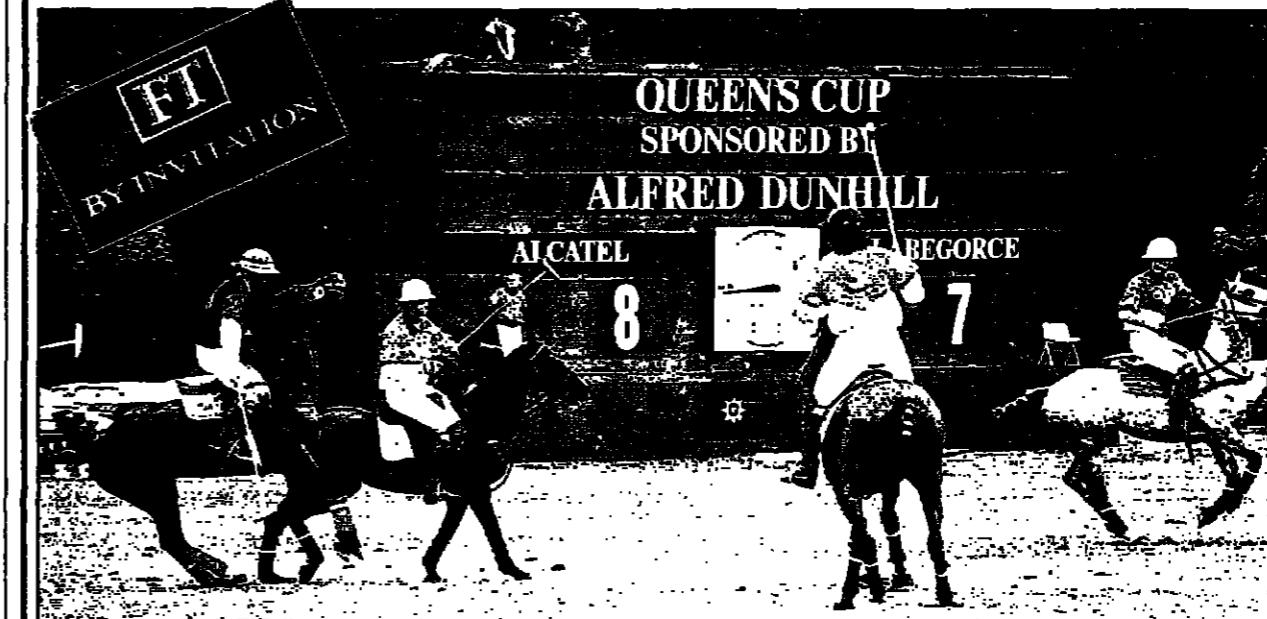
But I was left intensely curious and after the monk had gone I climbed over the wall of the locked chapel to investigate. I landed on the other side and stared and stared, aghast.

For on the wall immediately beyond the door was the outline of a large Buddha image. The image itself had been removed and the wall around it was peppered with holes from the bullets of machine-guns. There were no bullet holes within the outline of the image itself, which had clearly been used for target practice by the soldiers who had sacked the place. Elsewhere in the chapel not a single statue remained and the floors were covered in rubble.

I discovered in one corner a pile of religious script, many of them black with burning, all of them with singed edges but some with written prayers intact and still visible. These had survived in the open for nearly 30 years, preserved by the cold and the dry air, as enduring as the religion to which they were accessories.

Of all the damage in that chapel it was the bullet holes which seemed the most repulsive, the most intrusive and profane. I knew that the same guns had also brought down a number of Tholing's human occupants. In a remote place like Guge the evidence of such events is easily hidden.

The unviolated surrounds of Tabo monastery are a world away, if just 100 miles across the mountains. One is an active religious community, the other an abandoned museum-piece.



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## HOW TO SPEND IT

# Growing sources of garden delights

**Lucia van der Post finds barbecues from Burma and pots from Mexico**

**M**ost of us know that run-of-the-mill garden equipment - the plainest of benches, the gaudiest of umbrellas, the simplest of terracotta pots - is usually most easily found at the keenest prices, at supermarkets, out-of-town sheds and garden centres. However, there comes a time when something a little more special is on the agenda: when something a little more out of the way, more inventive, more decorative - even, dare I say it, more tasteful - is what you are after. Then the only answer is to track down some of the small and special shops that cater for the off-beat garden.

As gardening has become increasingly important to householders - even for those presiding over the smallest of outdoor patches - smaller, boutique-like shops have grown to cater for their needs.

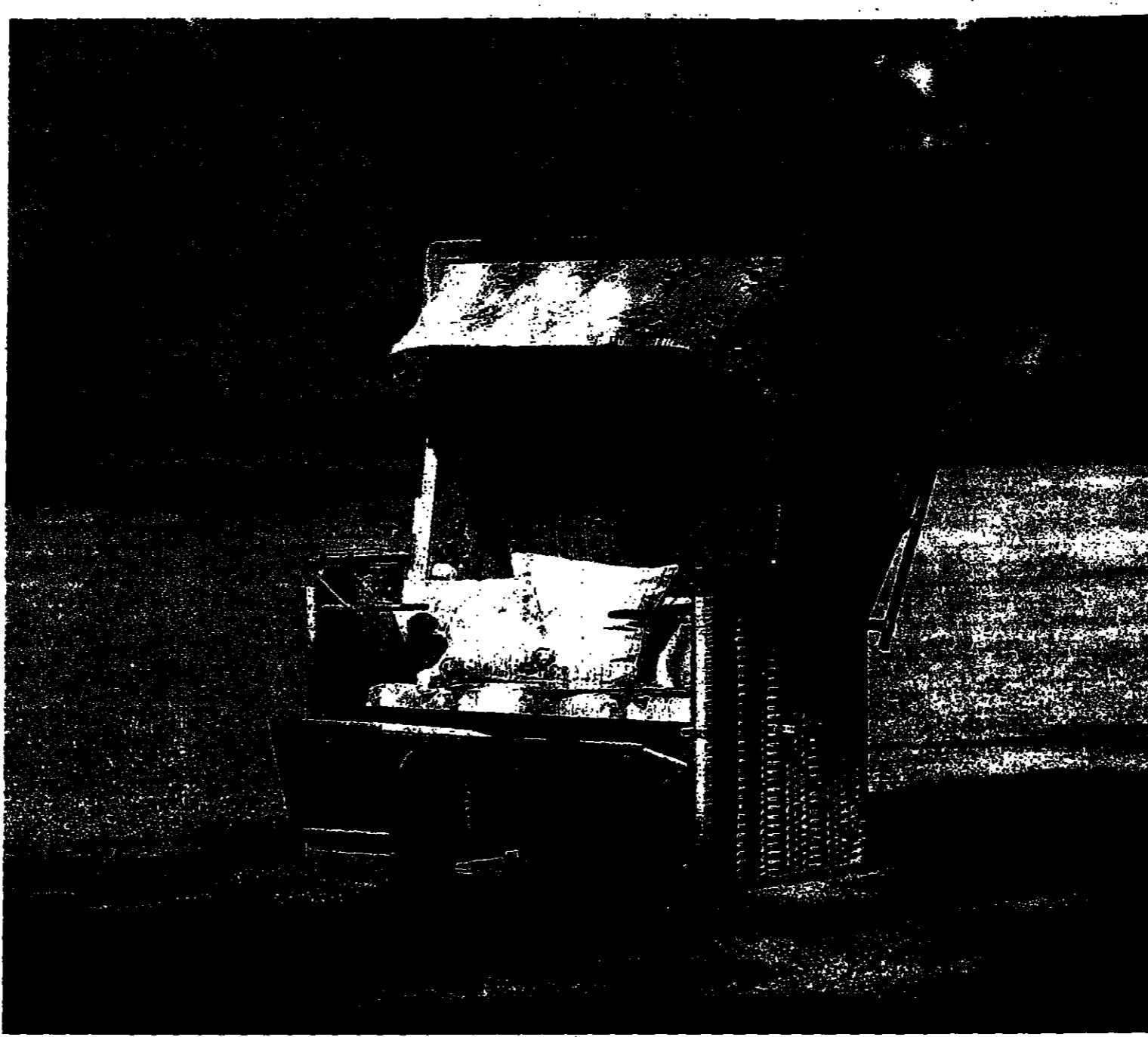
In London, we are not short of choices. Places such as Clifton Nurseries (see Clifton Villas, Little Venice); The Chelsea

Gardener (125 Sydney Street, London SW1); Patio (158 Bartsen Park Road, London SW8); Avant Garden, 77 Ledbury Road, London W11; and Marston & Langringer (192 Ebury Street, London SW1) all offer interesting and unusual bits and pieces for the garden or conservatory.

Good sources out of town are on the increase. There are some specialist purveyors of garden antiques and statuary - notably Walcot Reclamation in Bath and Whichford Pottery in Warwickshire, which is a wonderful place to visit for pottery of all sorts - but, inevitably, it is London that continues to be spoilt for choice.

Hardly a week goes by without some enterprising new retailers discovering fresh and wondrous products.

This week, we have unearthed barbecues from Burma, picnic sets from France, traditional "beach shelters" from the wind-blown northern coast of Germany and hand-painted terracotta pots from Mexico. Here are just a few of the discoveries.



**A** penn is a small, charming shop just off London's Portobello Road. A speciality, other than its charm, is hard to pin down as the merchandise seems to consist of a varied collection of throws, memory boards, holdalls and assorted cotton-covered items.

However, for those looking for something a little different in garden furniture, its owner, Bimhi Bellhouse, has tracked down the sources of the traditional "beach shelters" used along the north German coast. The shelters are perfect for a cold, windy British garden or conservatory. Hand-made in a variety of finishes - from reed and willow to a white PVC weave - they can be upholstered in any fabric the customer chooses. The inner cushions can be removed and the seats all come with weatherproofed zipped covers, which means they can be left out all year round if no storage is available.

The garden seat operates rather like a box of tricks with all sorts of options and optional extras available. The back of the seat can be fixed at varying angles - either upright or at some stage between that and horizontal so that users can lie flat and sleep or sunbathe.

There are two footrests in the base which can be pulled out to aid a little idle lolling; there are two shelves for holding drinks and a sunshade can top the whole apparatus. Prices start at £2,000, plus the cost of 7 metres of fabric. Orders take four weeks. An example can be seen at the Apen shop at 196 Kensington Park Road, London W11 2ES. Tel: 0171-782 2457.

Simpler, less expensive but perennially useful is the campaign chair. Used by Indian Army officers during their travels, this collapsible chair is available with bonded and waterproofed fabric from the Apen collection in three different colourways (red, blue and green). The wooden frame comes apart easily and the chair can be rolled up in its pouch and carried by a shoulder strap. £225 each (slightly less for a set of four) from Apen.

**Lucia van der Post**



**I**f you are looking for a standard teak bench or a jolly plastic umbrella, you can go to your nearest department store, shed or garden centre. If you want something a little recherche, something with wit or charm, Judy Green's new shop, Garden Store, in London's

Hampstead, is a marvellous source of the off-beat.

Aimed at those who want to make small gardens, patios, window-sills and yards more welcoming, it is filled with tempting ideas. There are terracotta pots, hand-painted by any one of a group of three or four different British

artists, as well as hammocks and hampers, trugs and outdoor candles.

Those who love the solid materials and honest workmanship of antique gardening tools will find a good selection - from hand-trowels at about £5 a pair, secateurs and spades, to

a range of garden furniture. Sketched here are just some of the things Judy Green has tracked down for her shop.

□ French aluminium and raffia tea picnic set - £7.95 for the cups, £15.95 for the tray. □ The galvanised iron watering can is a copy of a

Victorian travelling watering can (the spout fits into the can and the lid comes off). £43.50.

□ A traditional Burmese barbecue, made from tough rose clay from the Irrawaddy river to a design used for hundreds of years, heats rapidly to a high even temperature and can be used

for roasting (by putting the lid on) or open grilling. With the lid on, you can stir-fry, simmer, braise or boil on the lid itself while inside a roast gently cooks. £38.50 for the small size.

□ A garden hamper put together by Judy Green would make a splendid present for a

gardener. The French Provincial basket with cream calico edging and handle is £15; the hand-made terracotta pots are from £6.50 each, the small pot of ivy is £1.20, the teak plant tags, £2.95 for four, the green garden twine on a wooden holder is £9.95 and greetings cards are £1.25.

□ Terracotta outdoor candle on an iron stand, £26.

□ Mexican *fleur de lys* wall glazed terracotta pot on a metal hook, £24.95.

■ Garden Store is at 11 Flask Walk, Hampstead, London NW3 1EH. Tel: 0171-355 3332.

*Drawings: Margaret Keedy*

## Natural and elegant

**I**t is extraordinary to think that Crucial Trading is 10 years old. When I first started it I remember greeting its arrival with rapturous joy, largely on account of the price and the extremely unpredictable nature of the product.

Yet I opined that while it was perfect for country rooms and hallways, it was not for "elegant salons".

Today, all that has changed. Sisal, jute, coir and seagrass are to be found in the grandest of salons. Open almost any interior decorating magazine and, from stately manors to urban drawing-rooms, natural flooring is to be seen.

Prices remain good, the selection has widened, loose rugs, bound in toning or contrasting colours are available, there are narrow runners for

stairs and today, to celebrate the 10th anniversary, anybody who goes to one of Crucial Trading's shops can buy anything from the range at half price. You cannot, unfortunately, do it by phone - you have to put in an appearance and pay for it today so anybody contemplating buying it in the near future should get their tape measures out and hurry along.

Harry Gold, for instance, a honey-gold, roughly woven sisal and my particular favourite, will be on sale at half price and the seagrass, normally £10.40 a square metre, will cost £5.20.

The shops are at Pukka Palace, 174 Tower Bridge Road, London SE1 (0171-284 0000); 79 Westbourne Park Road, London W2 (0171-221 9000); 4 St

Barnabas Street, Pimlico Green, London SW1 (0171-730 0075) and the factory shop at The Market Hall, Craven Arms, Shropshire SY7 9NY (01588-673666).

Besides Crucial Trading there are now many other companies offering flooring in a similar mood and spirit. Roger Oates has for some time specialised in making woven woolen runners which have something of the simplicity that Shaker style demands. Tough, hard-wearing and beautiful in their own quiet rustic way, they come in many different colour combinations.

Most have strong borders, reminiscent of the runners in so many Scandinavian interiors. New to his collection are his antiqued cotton runners - in soft colours, striped or plain

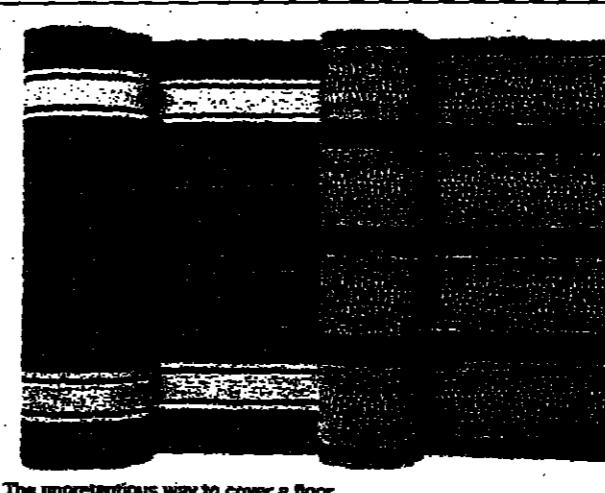
with striped borders, they all age beautifully and range in price from £24 for 70cm x 150cm to £24.50 for runners measuring 70cm by 350cm.

Roger Oates' range sells from his headquarters at The Long Barn, Eastnor, Ledbury, Herefordshire HR8 1EL (01531-632718) or by mail order - there is a beautifully illustrated full colour brochure available from the same address.

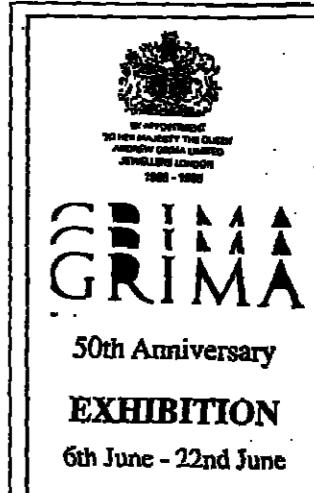
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**Lucia van der Post**



The unpretentious way to cover a floor



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## FASHION

I recently met two very different women, from opposite ends of the social spectrum, who reminded me that care over one's appearance is not only civilising but also munificent. It can give pleasure to a neighbour and need not imply ostentation, vanity or an expectation of something in return - be it sexual attention or deference. It can, quite simply, raise people's spirits and make them smile.

The first woman was an octogenarian art collector whom I met at a Sotheby's lunch; the other was an impoverished young black woman whom I met at a church service.

These women shared the same demure dignity; both were clothed

## Demure dignity of the well turned out

Jane Mulvagh is spellbound by the dress sense of two women from opposite ends of the social spectrum

and groomed with exacting care and without vulgarity, neither were sandwich boards for a fashionable label, just gentle reminders of the human spirit undiminished by adversity.

The old lady retained a girlish charm and femininity in spite of her years. She wore a ballerina-length, full, black linen skirt, a delicately pleated white lawn blouse and simple black pumps. Her snow-white hair was coiled into a chignon at the nape of her

neck and her frail, unpainted features sheltered under a broad-brimmed straw hat, trimmed with a black grosgrain ribbon. Two pearl studs were all the jewellery she wore.

Sitting alongside some fiercely cosmopolitan younger women dressed up in designer-brights, with all the aggression of fashion Fauvists, she, by contrast, conjured up the simple delicacy of a Chardin portrait. I was spellbound. After lunch, I went to sit beside

her and could not resist complimenting her on how she looked. Imagine my surprise when she told me that she was blind.

Explaining why she took such care in her dress, she remembered with pleasure being "well turned out" gave others, as well as herself, and the disability that struck 10 years ago had not blunted her largesse for pleasing others.

Though slightly more effort went into her toilette these days, she still managed to dress herself by

feeling her clothes in her wardrobe.

However, when it came to shoes, she had to solicit the good eye of her gardener to confirm that she was wearing a matching pair.

Amid the smart hats in the Kensington church, the black woman had her own form of festive hat. It was an extravagance not of money but of time and care. For crowning her modest brown Macintosh and cheap, worn shoes was a coiffure

that must have taken many hours to construct.

Hundreds of tiny plaits, as fine as ink spaghetti, were coiled into kisscurls over her skull. The heart of each coil was decorated with a tiny golden bead and the edges of her hairline were wound into a scalloped border.

You could see members of the congregation smiling as they caught sight of her decorative masterpiece which was worn without attention-seeking affectation.

Neither woman's decoration invited envy, criticism or social division: the old lady was not foisted in rich jewellery or class-ridden shibboleths; the young woman was unburdened by any hint of political slogan. Both simply gave pleasure because their presentation was careful, attractive and demonstrated self-respect and a delicacy of mind.

Decoration, freed from group conformity, commerce or status, is not frivolous, vain or socially divisive.

It is much-needed evidence of the human spirit unbroken. Dress has an awesome power. It is a delicate tool that, if used with understanding, can give pleasure, and can build bridges and even heal.



## The dress holds the key to style success this summer

With such a vast variety on offer, there is really no such thing as an easy choice during this Year of the Dress, writes Karen Wheeler

**T**he dress has been designated as this year's key wardrobe item and the issue is not whether to wear one but what style to buy. Given the enormous variety on offer, this is not easy.

Following the success of last year's shift, designers are offering everything from shirt-waist and tunic dresses to swingy A-lines and full-skirted 1950s styles. Add to this a mind-blowing selection of fabrics - from silk dupion to industrial nylon prints that range from traditional splashy florals to startling 1970s wallpaper designs; and a palette encompassing acid orange and lime to sugary pink and lilac, and the choice is far from straightforward.

It is almost easier to say what is not fashionable - and pretty much the only thing that fails to qualify is the long, floral print tea dress that was such a hit in previous summers. Instead, most current styles hover on the knee or above and the look is short and

snappy rather than long and ethereal.

Despite such fashion dictats, the dress is a highly personal item and a much more difficult purchase than an off-the-peg or a raincoat. While you can hide behind the tailored lines of a jacket or disguise a multitude of sins under a raincoat, the summer dress is not so forgiving and most of us have fixed ideas on the subject. Those with slender arms, elegant necks or well-toned backs will welcome cutaway necklines, halter necks or sleeveless dresses. For most people, such styles are a stumbling block.

It is a strategy that has been widely adopted elsewhere - Karen Millen offers minimalist cropped jackets which look very modern over her back-baring halter neck dresses and fondant coloured shifts with cutaway necklines. Nicole Farhi's checked sun dress also comes with a cropped single-breasted jacket. By offering the option of a jacket, designers have made the sun dress more versatile - allowing you to

dress it up or down. For those who consider a jacket too formal and for dresses which do not work well with a jacket, the solution is a cardigan in a matching colour - very chic fastened with one button over the shoulders.

So what are the key styles to note? The neat, slender shift

### Dresses, from far left:

■ Rose print V-neck, flippy cap-sleeve dress in viscose, £199, by Jaeger London from selected branches of Jaeger. Stockists 0171-200 4000. Featuring cap-sleeves and a fashionable V-neck this is a less austere alternative to the plain shift dress.

■ Floral print dress with short cap sleeves in 100 per cent viscose, £110 by Max & Co at Harvey Nichols, Knightsbridge, London, SW3. Inquiries: 0171-235 5000. A very pretty floral print and forgiving cap sleeves give this dress special appeal.

■ Cream sleeveless dress with satin trim at waist in viscose crepe, £230, by Paddy Campbell, 8 Gees Court, St Christopher's Place, London W1 (tel 0171-493 5846). A strikingly simple and understated dress with a bias cut that is flattering to most figures. Stylish but a matching cropped fitted jacket is also available.

■ Navy/white spot print dress with draping detail in pure silk, to order from Catherine Walker, 65 Sydenham Street, London SW3 (tel 0171-382 4626). Currently the most popular style at Catherine Walker and to try it on is

to understand why - it fits like a silk glove. Very expensive but likely to prove very useful for many seasons.

■ Lemon dress with contrasting white band, £145, and matching jacket £169, both in 100 per cent viscose, by Liberty Collection (tel: 0171-734 1234). A good sun dress for smart summer functions, this bares the neck and shoulders but has the option of a matching jacket if the weather is chilly.

■ Lilac ottoman shift dress with drop pockets £125 from the Philosophy range by Alberta Ferretti, from Dickins and Jones, Regent Street, London W1. Inquiries: 0171-963 2226. This is a very modern take on the summer dress with hints of the 1960s' Courreges look. It features short sleeves and a flattering neckline and is very easy to wear.

■ Dark pink silk chiffon bias cut dress £295, Maria Grazia Cucinelli from Liberty, London W1. Stockist inquiries: 0171-581 6160. The appeal lies in the beautiful fabric, exquisite colour and cut. It is also highly individual and you are unlikely to bump into anybody wearing anything like it.

Illustrations: Kim Dalgill

en viscose mix shift dress in maize or apple green (£48.99) features a modern hipster, silver buckle belt.

According to Liz Tilberis, editor of American-style-bible Harper's Bazaar, nobody cuts a shift dress quite like Catherine Walker - which probably explains why Walker's Sydney Street salon is buzzing at this time of year. Her dresses are not cheap but there are many women who feel that £90 plus is a fair price to pay for a silk dress which fits like a glove and feels like a dream and which will take them seamlessly from summer wedding to school open day.

The season's most hyped dress is the button-through shift dress. In unexpected fabrics such as silk dupion, these can look very pretty - for example, Whistles silk shantung shift dress (£25) in colours ranging from olive to lilac - but need to be chosen carefully. Safari styles - originally made famous by Yves Saint Laurent - are a better option. Current hot designer Patrick

Cox has picked up on the theme with a cotton button-through version with tab pockets while Saint Laurent's own current reworking of the theme comes in cotton gabardine at £275.

After fixing on a shape and style, the biggest decision is whether to opt for print or plain colour. In print, bold, splashy florals look best. Wall-paper and 1970s soft furnishing prints might be quite the thing on the catwalk but all the most expensive designer versions look dreadful in real life. These may look terrific for now but they will date faster than you can say "Prada".

Fabrics this season range from crisp, cotton pique to futuristic synthetics. Fabrics with surface interest - satins, brocades or shimmer effects - and stretch properties are very popular, particularly in icy pastel colours.

The Philosophy range by Alberta Ferretti has summer dresses in delicious colours and fabrics including a lilac silk organza shift with appli-

qued flowers (£419) and a silver of lemon silk organza with a square neck and buttons down the back (£18 from Selfridges).

Max Mara has some of the best floral prints in a variety of styles. Favourites are a splashy yellow sunflower print on a cotton dress flatteringly cut to flare out from under the bust (£36) by Weekend by Max Mara; a belted pink Gardenia floral print dress with short sleeves (£189) and a black sleeveless shift featuring splashy pink cabbage roses (£189).

Despite the dismal weather, Episode's poppy print 1950s-style sun dress has almost sold out. Also worth considering are Fenn Wright and Manson's floral print A-line dresses or brightly coloured linen polo dresses which have little hanger appeal but look good with flat thong sandals or beach shoes and are perfect for holidays. Finally, Joseph's robust metallic nylon shift dress in blue (£185) might sound unappealing but looks beautifully and uncompromisingly modern.

## PROPERTY

# Sporting life is still a luxury

Gerald Cadogan looks at the prices for grouse moors and deer forest

**J**UNE is a wise time to buy a grouse moor or deer forest. By August 12, when grouse shooting starts, or late September and early October when the stags are at their best, it is too late.

Sporting estates are luxuries and usually a drain on their owners' purses, whether they are old Scottish lords or businessmen travelling north to bag a trophy.

A large estate in the Highlands, or on the west coast, can cost as much as £100,000 a year to run unless the owner lets some of the shooting, says William Jackson, of agents Knight Frank in Edinburgh. The annual bill for a keeper and stalker (and a ghillie, if there is fishing) will hardly be less than £20,000 a piece.

Most owners, says Jackson, are happy to take the first days of the grouse and stalking seasons for themselves, which should make a glorious late summer of sport. Then they could shoot for pheasant, while letting out the latter days on the grouse moors.

Few grouse shoots are for sale which makes it a difficult market to judge. Prices usually combine a value for the land and buildings with a multiplier of the long-term average of grouse or stag shot.

This long view smoothes out disastrous years such as 1993 when some estates did not entertain grouse shoots at all. That year, it was important to conserve stocks after bad weather had stopped birds hatching.

Keepers will know later this month if 1996 is likely to be a good year. Estates often wait for these first counts before confirming the let shooting and may leave September days open until it is clear how

the game is progressing. It is essential, says Jackson, that an estate is not overshot to derive income.

Moor management also means controlling foxes and other predators that take young birds. Sections of heather have to be burnt, year by year, to encourage fresh growth. Grouse hatch in the heather – and it is their food.

Sheep are the other big threat. Once they start nibbling the heather, it dies and the moor turns to grassland which offers no protection or food for grouse. Overgrazing is often the explanation for moors "in need of improvement". The first task is to move the sheep.

In Scotland the multiplier for capitalising driven grouse is likely to be more than £2,000 a brace, Jackson estimates. For stags it is £10,000 to £12,000 per stag, down from a few years ago. But, as the last three winters have been good for stags and Scotland has plenty of deer that need culling, the fall has little effect on an estate's capital value, with more animals to balance the lower value per animal.

In northern England grouse values are higher at around £2,500 a brace, says George Wim-Darley, of Lowther Scott-Harden. If only the sporting rights are for sale, when there is no grazing value for the land, they will be "a bit less". Yet the long habit of valuing sporting estates on a head count of deer may be ending. Scotland has 2½ times as many deer as the land can stand.

Anthony Hart, of agents Bidwells, prescribes a change of attitude. Private owners must either do something about deer or they will find that Scottish Natural Heritage – or parliament – will force them to.

In future, he suggests, capital value will depend on the self-

reliability of estates. Already,

continental buyers are less interested in historical sporting records and more interested in asking: "What can the estate sustain in the future?"

Bidwells has just recruited Philip Ratcliffe, who headed the Forestry Commission's environment branch, to advise private owners on ecology.

The 18,600-acre Dalnacardoch estate, near Dalwhinnie in Perthshire, once part of the Atholl estate, scores highly on environmental

grounds. A beautiful tract of the Grampian Mountains, it sits above the A9 on the watershed between the Tay and the Spey river systems.

The heather thrives as it is too high for bracken to choke it and the estate does not graze sheep. But there are foxes. When I visited, the keeper was out on the hills shooting them. Dalnacardoch still brings shot stag off the mountains by pony and the place is a deer stalker's paradise. Last year it produced 160 stags (and 57 hinds all shot by the keepers).

It is also good for grouse, with 465 brace last year and a five-year average of 524 brace. Recent letting rates have been £250 a stag and £45 to £50 a brace for walked-up grouse (rough shooting) for a specified 30 or 40 brace. (For driven grouse the going rate is £85 to £90.)

The dilapidated old lodge near the A9 was built as a public inn on the orders of George III. It would make an excellent French-style restaurant over chambers – which is how it began. Savills is seeking offers of more than £2.5m for the whole

estate. Land agent Jonathan Hensson, of Savills' Perth office, looks after the place and hopes the new owner will keep him on.

In Argyll, on the warm west coast, two estates new on the market front on to sea lochs and offer mixed sport. Knockdow on Loch Striven (6,000 acres, Bidwells seeks offers over £2m) also has holiday cottages and good forestry including deciduous trees.

Rahoy on Loch Sunart (2,933 acres, Knight Frank, offers over £550,000) has sea fishing, some

grouse and about 12 stags and 15 hinds a year.

In England, grouse shooting over 2,962 acres at Wallhope, near Carkshield on the Northumberland/Cumberland border (Lowther Scott-Harden, offers over £400,000) has "potential for improvement" – too many sheep. There is also a 512 acre farm with a gross income of £11,500.

■ **Bidwells, Perth** (01738 630666); **Knight Frank, Edinburgh** (0131-225 8171); **Lowther Scott-Harden, Bowness** (0161-243 168); **Savills, Edinburgh** (0131-226 6961).

A large estate in the Scottish Highlands, or on the west coast, can cost as much as £100,000 a year to run

## LONDON PROPERTY

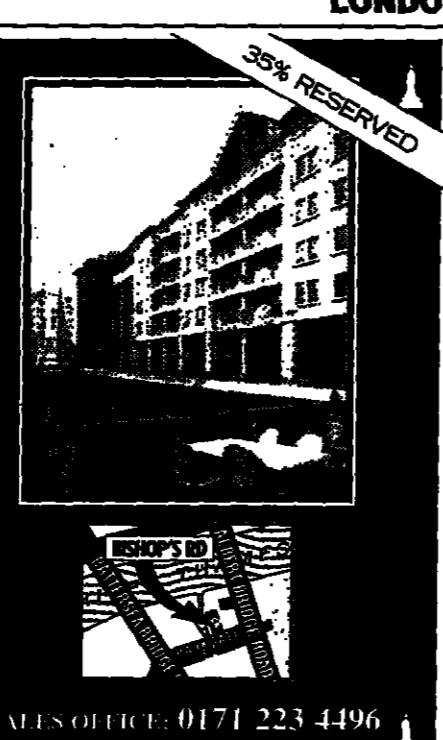
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## TRAVEL

## Stopping for a chat in an old Ethiopian city

**M**ention to any Harari the name of Richard Burton, the first British explorer to visit the old walled Moslem city of Harar in Ethiopia, and all you will get is a blank stare and a shrug of the shoulders.

But mention Arthur Rimbaud, the sensual, romantic French poet-turned-trader who came 25 years after Burton to spend the last decade of his life there, and people will smile and lead you to the house in which he was supposed to have lived.

Why? Perhaps Rimbaud had a character more amenable to Harar's own distinctly hedonistic tastes.

"My day is done; I am leaving Europe," wrote Rimbaud after his emotional rupture with that other sensitive romantic, Verlaine. "The sea air will burn my lungs; lost climates will tan my skin. I shall swim, trample the grass, hunt, above all smoke; I shall drink liquors as strong as balsam."

"Richard Burton: explorer



Harar market: there is a brisk trade in the city in a commodity that today competes with coffee as the front-runner of the local economy



Arthur Rimbaud: romantic

ing metal. I shall return with limbs of iron, bronzed skin, and fierce eyes; from my mask I shall be judged to be of a mighty race."

As a restorative programme it sounds a little wild. I have no idea if Rimbaud actually indulged in the extended binge he was looking forward to, or if it did him any good in the end - he returned to Europe in 1891 a sick man and died within weeks. But certainly if he intended to die one on Harar was the place. Most Harars do it every day.

I spent my first morning in

that day competes with coffee as the front-runner of the local economy. *Chat*, or *cattu eddu*, to give it its scientific name, has been in use even longer than coffee on both sides of the Red Sea. In Yemen, in Saudi Arabia, in Djibouti, in Somalia, in Ethiopia, Moslems and non-Moslems the fourth-holiest city in the world. It was not only a city of learning, as a thriving commercial city-state linking the Arab-dominated Red Sea coast to the Horn of Africa.

I strolled over to take a look. Chat looks about as interesting as any small, green leafy branch does. But the woman selling it were magnificent.

With a long and turbulent history, Harar, 800 years old, is a converted warehouse where Rimbaud once kept the trade goods he exchanged for ivory and hides, civet musk, gum, and the celebrated highland coffee of Harar. But feeling neither poetic, nor love-crossed, nor particularly in the region, where Moslem tradition forbids the use of spirits - *chat* is a popular and much-traded intoxicant. It is the scotch of the Horn of Africa.

Chat looks about as interesting as any small, green leafy branch does. But the woman selling it were magnificent.

"Not the highest quality for good chewing," came a voice from over my shoulder as I contemplated the bangles and nose-rings of wild-looking Oromo women, the long faces of Somalis from the deserts of the Ogaden, the urban sophistication of Harari people themselves. "But the softest leaves from the top of the stems are still fine."

Endale Taffra, a short, plump, friendly man, long ago gave up *chat*-chewing to a daily pastime; it made him lazy, spoiled his appetite, turned him into an insomniac and angered his wife. These days, he explained as he bought the tidiest bundle of *chat* he could find, he just dashes - well away from the conjugal nest - on odd weekends.

But that, he told me as we strolled off between the high, whitewashed stone walls of Harar's alleys, is not so for the town as a whole. When the

French built the railway from Djibouti to Addis Ababa at the turn of the century, Harar lost its pre-eminence as a trading centre and much of its dynamism too. Side-lined into history, it follows slower, more languorous rhythms today.

*Chat* capital of Ethiopia, the city's culture, commerce and timetable now revolve around the top of the stems are still fine."

"Look," Endale pointed around. "Where are all the people who just an hour ago crowded the streets? They have been to the market, prayed at the mosque, and now are all at home chewing *chat*."

He was right. Apart from the lines of tattered, bearded beggars reclining on shady side-walks, the hot noon-time streets were deserted. And even they, I noticed, were not unemployed, but busy tearing leaves from stalks and popping them into bulging cheeks. One old man with no teeth for

chewing was pounding a wooden mortar with a heavy pestle, churning up a dark green mess that looked like baby-food spinach.

Endale knocked at an alley-side door and we were admitted into a walled courtyard. As in most parts of the Islamic world, the pleasures of private life in Harar are kept quite separate from the often hard realities outside - the high, airy, open rooms across the courtyard had little to do with the beggar lepers, the roving street children, the refuse-munching goats in the broken streets beyond the walls.

Yet Hararis are among the most gregarious and welcoming of people. Already tying relaxed on rugs and bolstered by cushions - Harari sitting rooms - Endale's friends Shakin and Muktar welcomed us with a smile and non-stop, *chat*-charged conversation.

Shakin chews every day, and usually in company - his house has all the volatile sociability of a bar in a private men's club. I was bidden to remove my shoes, shown a place to repose, and had placed before me all the comforts of civilised male society - cigarettes, tea, and a large, leafy bundle of *chat*.

If Muktar had not insisted on repeatedly passing me handfuls of select and tender leaves I doubt I would have got past the first mouthful. The stuff tastes just as you imagine green leaves might taste - vile. Pink gin is so much easier.

Eventually, though, I thought I began to see the point of it all. The world becomes more pleasant, friendlier, more convivial, and while the body has no desire to make the slightest effort, the mind jumps lightly about with pleasure and agility.

Marco Polo, Cervantes,

Orwell, Machiavelli, Chinese

politics, mad cows, the Cuban

missile crisis, the royal family

crisis: inert and horizontal

through the torpid afternoon.

Shakin was all over the place,

gambling through these sub-

jects and a dozen more. We

talked, we chewed, we talked

some more. Shakin, who rarely

quits the walls of the city, feels

no need to. At his finger-tips

he has books and novels, a

radio tuned to the BBC, and

*chat*. What matter the world of

real deeds?

Before I realised it the day

had passed us the way history

had passed Harar; dusk was

falling and birds were gather-

ing in the trees. Would it not

stay and chew a little more?

Dreamy, I declined. My eyes

were feeling far from fierce. My limbs were not like iron at all.

No one in their right mind

would have judged me of a

mighty race. I would, I decided,

leave such things to Rimbaud.

Nicholas  
Woodsworth

## THE SACRED ART OF TIBET

A SPECIAL VISIT TO BHUTAN, TIBET AND KATHMANDU  
23 March-13 April 1997 and 22 March-12 April 1998

This is a journey to the Himalayan Kingdoms of Bhutan and Nepal and onward to Tibet to learn more of the magnificent, yet scarcely understood sacred art of Tibet.

Our visit will be all the more memorable due to our good fortune in obtaining permission to visit the Paro Festival in the truly Buddhist Kingdom of Bhutan.

Here in the splendour of their ceremonies and traditional costumes we shall have a rare opportunity to see and begin to understand the meaning of Tibetan religion and art and gain further insight into their way of life.

### THE ITINERARY

DAY 1 London (Gatwick)-Kathmandu

DAY 2 Kathmandu. Arrive mid-afternoon and stay 3 nights.

DAY 3 Kathmandu. Visit the richly carved Pagoda Temples of Durbar Square, the museum with its superb 12th-14th century Nepalese bronzes and the Monastery of the Living Goddess. Also visit the great Buddhist stupas of Swayambhunath.

DAY 4 Kathmandu. Drive to Patan and see Durbar Square and the Palace Complex. In the afternoon visit the great Temple of Pashupatinath, the holiest of Nepal's shrines.

DAY 5 Kathmandu-Paro. Fly to Paro and stay overnight. On a clear day the flight affords breathtaking views of the great Himalayan peaks.

DAY 6 Thimpu. Drive to Bhutan's capital since 1955. Here in the broad fertile valley of the Wang Chu River, visit the National Library which houses a splendid collection of ancient manuscripts and the Traditional Medicine Institute, where centuries old healing arts are practised. Time permitting visit the Handicrafts Emporium of weavers and minstrels and folk dance performance by the Royal Academy of Performing Arts.

DAY 7 Thimpu. Visit the Tashicho Dzong, Bhutan's administrative and religious centre on the banks of the river and the historic Simtokha Dzong which houses the Rigay School for Monastic Studies.

DAY 8 Tongsa. Drive through the thickly forested mountain roads to Tongsa to see the impressive Tongsa Dzong, the ancestral home of Bhutan's royal family. Stay overnight.

DAY 9 Thimpu. Return to Thimpu at a leisurely pace, driving through magical countryside. Stay overnight.

For centuries, Tibet has lured Buddhist pilgrims and foreigners alike despite its geographical isolation and untrammelled lands. Our access by air from Kathmandu will be quick and comfortable yet immediately upon arrival in the heart of Tibet at Lhasa we will have stepped back in time to a land that, until recently had seen little change.

Similarly Bhutan, 'The Land of the Dragon' is hesitantly opening its doors and allowing a strictly limited number of travellers across its borders. Today's visitor is shown a fascinating society which is

unouched by the modern world. Isolated, like Tibet, by its towering peaks of the Himalayas, its culture and traditions have remained constant for hundreds of years. And in Kathmandu, old and new rest side by side, the array of Hindu pagodas and Buddhist Chaitiyas a sculptors dream.

It will be an outstanding journey of appreciation of these mountain peoples, their art and the stunning scenery they inhabit. A monumental trip undertaken with a degree of comfort, although some accommodation whilst charming, will be of a simple style.

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It will be an outstanding journey of appreciation of these mountain peoples, their art and the stunning scenery they inhabit. A monumental trip undertaken with a degree of comfort, although some accommodation whilst charming, will be of a simple style.

DAY 10 Xigaze. Visit the Tashilhumpo Monastery, one of the six great centres of Lamism. See the Panchen Lamas throne in the Great Hall, the 15th century wall paintings and some fine statues. Later see the market and the Shaky Monastery founded in 1040.

DAY 11 Lhasa. Drive back to Lhasa for a night stay.

DAY 12 Lhasa. A leisurely day visiting a market and the Drepung Lamasery Monastery built in the early 1400's, once the largest and richest monastery in the world.

DAY 13 Lhasa-Kathmandu. Fly to Kathmandu. Stay overnight.

DAY 14 Kathmandu-Lhasa. Fly to Lhasa and stay 3 nights.

DAY 15 & 16 Lhasa. Visits will be made to the Great Potala Palace, founded in the 7th century and added to and restored through the ages. See the decorated halls with their fine wall paintings, the magnificent funerary pagodas, ritual vessels and porcelains. Also see the 7th century Jo Kham Monastery, an important Pilgrimage Centre and the Summer palace.

DAY 17 Xigaze. Drive across the vast Yarlung Tsangpo Plateau and cross the Brahmaputra River to Xigaze. Stay 2 nights.

DAY 18 Xigaze. Fly to Lhasa and stay 3 nights.

DAY 19 Lhasa. Drive back to Lhasa for a night stay.

DAY 20 Lhasa. A leisurely day visiting a market and the Drepung Lamasery Monastery built in the early 1400's, once the largest and richest monastery in the world.

DAY 21 Lhasa-Kathmandu. Fly to Kathmandu. Stay overnight.

DAY 22 Kathmandu-London (Gatwick) flight arriving in the early evening.

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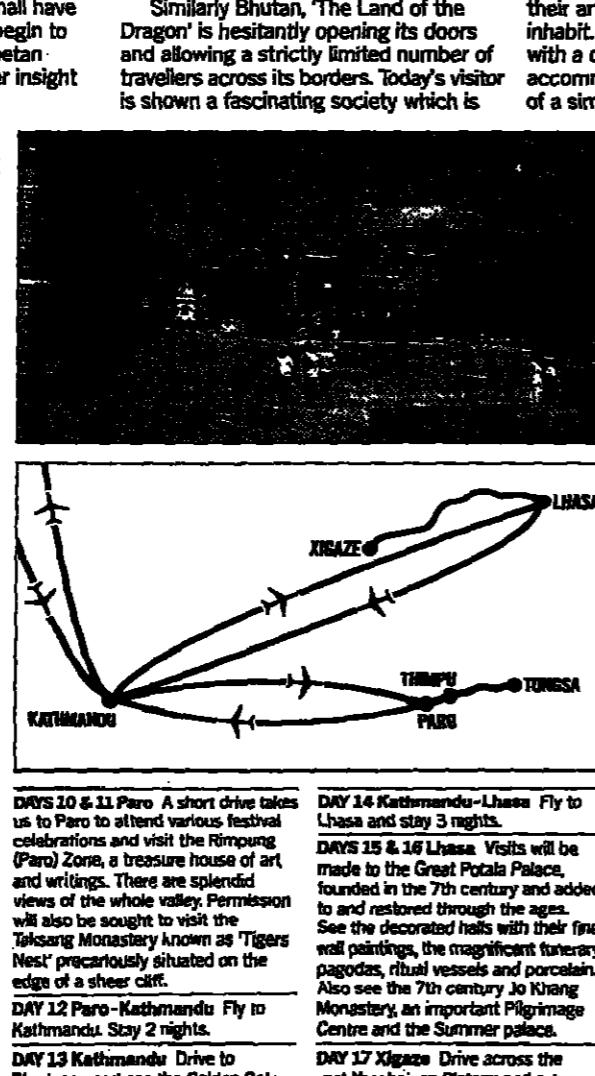
Note: This itinerary includes some high altitude visits. Anyone concerned about this should consult their GP.

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**T**he spacious turn-of-the-century houses overlooking the River Allier in Vichy no doubt justify the grandiose name of Boulevard des Etats-Unis. But judging by the high concentration of brass plates on the doors, the road might well have been better named Boulevard des Médecins.

For a settlement with a population of less than 30,000, Vichy is home to 120 doctors, with at least 70 specialising in "thermatism" - or the curative effects of spring water - for those who live locally, but particularly for the thousands of visitors who arrive each year seeking relief from their ailments.

Walk around the town, with its grand avenues, parks, hotels, public buildings and shops, and there is little doubt of the importance of the money brought in by those seeking the waters - an activity important at least since Roman times.

Vichy's reputation took on a different and more damaging tone during the second world war, of course, when it became the headquarters for the government of Marshal Pétain - a decision itself partly linked to the abundance of hotel space providing lodgings and offices for his collaborators.

Since then, much has been done to dispense with that legacy. The administration certainly wasted no time in attempting to wash away the memory. Place Charles de Gaulle, Place de la Victoire, and Boulevard Président John Kennedy are among the names that dominate the street map today - alongside, of course, Avenue Thermale and the Parc des Sources.

"Maybe one in a thousand people think about the Pétain era, the memory," says Michel Coulet, director of the recently-opened Celestins hotel and health complex, says dismissively. "

## TRAVEL

**T**he flames rolled quickly through the undergrowth flaring upwards here and there with noisy crackles as they fed greedily on the driest clumps of brittle stems.

The hot midday wind fanned the fire forwards and it raced up the desiccated flakes covering the trunks of several paperbark trees, licking at the limbs above. It burned through the drooping dead fronds of a pandanus palm but moved quickly onwards.

Behind it, blackened logs smouldered in its path. Ahead, grasshoppers leapt to safety while stick insects staggered shakily away on either side, just the sort of tucker the black and whistling kites, circling through the rolling smoke, would swoop down to snatch. Another of Kakadu's controversial fires was well on its way.

Kakadu National Park, in Australia's Northern Territory, is the size of Wales and has now been accorded World Heritage Site status because of its cultural and wildlife importance.

The aboriginal people, or bininj as they prefer to call themselves, have lived here for thousands of years, coming down from the Arnhem Land plateau when the wetlands developed around the mouths of four rivers - the East, West and South Alligators and the Wildman.

These perennial wet areas attract water birds, particularly magpie geese, in spectacular numbers as marshlands elsewhere created so prolifically in the rainy season gradually disappear in the dry.

They are also home to numerous fish species, notably barramundi, and to turtles. The bininj thrived and it is estimated that about 2,500 live here, inhabiting rock shelters, which they decorated liberally with increasingly sophisticated paintings, and moving around their territory to hunt, burning as they went.

For bininj, fire is a way of cleaning up the bush and a burned area is a source of satisfaction. The display in the new, turtle-shaped, Warradjian cultural centre, which complements a nearby hotel constructed in the shape of a crocodile, explains that fire was used as an agricultural tool, a way of farming the bush, clearing some areas to make hunting easier and to reduce the danger from snakes, and encouraging a flush of grass to attract mammals. It was also used for signalling and, in some situations, it had a spiritual significance.

Kakadu is controlled by the traditional aboriginal owners who have a majority on the board of management. The day-to-day running is carried out by the Australian Nature Conservation Agency. Jeremy Russell-Smith, park projects officer and fire specialist, took me



The South Alligator River in the Kakadu National Park

## Finding the fire people

Michael J. Woods visits Kakadu National Park, in Australia's Northern Territory

to Gulgulung Spring in a rainforest filled gully and, as we ducked and weaved through the webs of spectacular venomous female golden orb spiders, he explained that the area has always seen fire, generally from lightning strikes in the late dry season when the burden of dry material was at its greatest.

Hot fire would rage down from Arnhem Land travelling for hundreds of miles and causing great destruction. The skill today is to create cool fires in the early dry season in order to protect areas such as the endemic *Allocasuarina* rain forest, through which we were walking, against the risk of much hotter and destructive fires later in the year.

Russell-Smith is currently training staff in the best use of fire. "We put fire into the landscape to work for us," he told me. "The art is in doing it sensitively, to burn as little as possible to maximise the desired effect."

Although the palls of smoke hanging over Kakadu in July might suggest otherwise, this park is

about much more than fire. I twice took a cruise on Jim-Jim Creek, which leads into the South Alligator River. Its entire catchment falls within the protection of the park. I shared the late afternoon boat with a party of school students from Melbourne despatched to see a crocodile. Our first sighting had them all hanging over the rail, almost prodding the reptile with their supper.

On an early morning cruise I saw all five species of park kingfisher as well as geese, ducks, herons and egrets, spoonbills, pelicans, kites and sea eagles, many silhouetted against a spectacular sunrise.

I also travelled in the park with Roman Chalouka who operates Magala Tours for the bininj traditional owners. They run low impact trips to their traditional lands which are normally closed off to visitors. Roman introduced me to several trees among them the pandanus palm and the milkwood, both of which, he explained, were important to women for basket making and medicines.

We visited a number of rock shel-

ters, climbing up natural steps in the smooth creamy sandstone to find walls adorned with delicate dark red, ochre and white paintings of men hunting animals, men and women together, X-ray images of animals showing their bones and internal organs and pictures of spirits and their victims.

We rested on the warm rocks just as bininj must have in the past, leaning back in the sunshine and looking out over glistening blue water winding through bright green marsh grasses towards the open forest where silver foliated trees rustled in the wind.

The extent of this privilege only became apparent on the following day when I went to Nourlangie Rock, a shelter of significant size proliifically decorated and heaving with visitors. Fenced boardwalks keep grubby hands from the rock art. While this is done with sensitivity, there was none of the intimacy and peace of the previous day when, sitting in the sunshine, it felt distinctly possible that the occupants were simply out for the day and

were expected back at any moment. On my last afternoon I called to say goodbye to Russell-Smith. He had spent his morning in a helicopter flying over a large bush fire on the park boundary with Arnhem Land, which had already spread into the great gullies and was almost certainly among the Allocasuarina. It had been lit by park staff, clearly without the required sensitivity. In despairing tones he told me it was "not good, not good at all".

Michael Woods flew to Australia with Qantas whose return flight to Darwin costs £1,017. Tel: 01345-747767 or a guest of the Australian Tourist Commission (tel: 01783-707096 for more information on Australia). He travelled to the more remote and restricted areas of Kakadu with Magala Tours, PO Box 95, Jabiru, Northern Territory 0886; tel: 089 739 411. The excellent Bowali Visitor Centre in Kakadu National Park will help plan your stay; tel: 089 381 100 and the cruises on Yellow Waters (Jim-Jim Creek) can be booked on 089 739 111.

## Irish country house charm

**C**harlie Maizard still remembers, with obvious relish, the days when the McCalmonds lived at Mount Juliet. And so he should: old Major Victor McCalmond used to buy all his drink from him.

Do not imagine that was a trifle. In those days, says Irish country house authority John Colclough, Mount Juliet was run on the lines of a "grand turn-of-the-century hotel".

He still got some of that 1975 Charles Heidsieck champagne which the Major used to like down in the cellar," says Maizard from behind the bar of his pub in the nearby village of Stoneyford.

Apparently Victor's wife Bunny (who died in classic Anglo-Irish style: after falling off her horse) used to ring up whenever she had been up to the races at the Curragh: "Charlie, would you mind sending up some drink, I've invited some people to tea."

Oh, and they bought a bit of Guinness too. When the weather was fine the Major would seat himself on one of the great stone balls outside the front door, with a huge bucket full of beer and a collection of mugs. As the estate workers came past the house he would dish them out a jar.

Until the McCalmonds sold the house, an invitation to Mount Juliet used to be a red letter day for the generally impoverished survivors of the old "West British" set in Ireland. Of all the grand houses, only Mount Congreve could match it for splendour. A valet unpacked your case for you, and footmen stood behind every chair at dinner.

The McCalmonds were not a classic Anglo-Irish family, however. As Colclough points out, in one sense they were too Irish, in the other too English. Their roots were in Antrim in the north, but by the late 19th century they were ensconced in Cambridgeshire with the racing crowd.

Harry McCalmond was MP for Newmarket. In 1894 he inherited the fabulous sum of £4m. Eight years later he died at the age of 41. His wealth went to Dermot McCalmond, Victor's father, who was then just a boy.

Mount Juliet was still the property of the Butlers, Earls of Carrick then. Where the McCalmonds had got richer with the century, the Butlers had got steadily poorer. The McCalmonds began to rent the vast Georgian house in Kilkenny from

the beginning of the century. In 1914 they bought out the Butlers.

The McCalmonds never abandoned their connection with the turf. They were at home in the world of racing. Ballylinch Stud came with the house. It was here that the Tetrarch, "the fastest horse in the history of the turf", lived and died.

Horses in various incarnations are still part of the appeal of Mount Juliet. When the McCalmonds could no longer afford to keep it up it was sold to Dr Mahony, the owner of the Toyota franchise for Ireland. Mahony uses sport to sell the hotel to its European and North American clientele. There is a golf course and a clay-pigeon shooting.

The big house sits on a high bank above the River Nore with its plentiful trout. It dates from the 1700s and many of the ground floor rooms betray the influence of the Adam brothers. The best is the dining room, with its Wedgwood medallions. I slept on the first floor where the chimney piece in the drawing room, with its crossed flutes and violin bows, suggested it might once have been a music room.

Mahony has recently installed Martin Nicholson to look after it all for him. Nicholson used to manage hotels in the Caribbean, but he is used to Ireland; he was born in Waterford which is only just down the road.

One of Nicholson's first moves has been to import his chef from Canoe Bay in the American Virgin Islands. Up until now the kitchen has played too safe. The new chef, Frenchman Denis Meurgue, has a perkier, more eclectic style.

One lunchtime I drove to Graiguenamanagh, a small town with 13 pubs and a pretty Georgian bridge over the Barrow. The Waterside (053 32246) has modern cooking and a well-chosen wine list.

Like Mount Juliet, the Waterside is evidence of a gradual process of modernisation in Ireland. Mount Juliet has seen such metamorphoses before: its charms were always available for a price, only now you do not have to wait for an invitation, and the cellar is still full.

■ **Information:** Mount Juliet, Thormanston, County Kilkenny, Ireland. Tel: 056 353 (0) 56 24453. Fax 24522. Prices for a double from £140 (low), £175 (mid), £205 (high).

Giles MacDonogh

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## GARDENING / MOTORING

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## Season of fruitful conflict

**A**s we enter June, our images of nature and the gardener stand in fruitful contradiction. My images are still tinged by memories of last week's show at Chelsea. They are haunted by the ideals of tidiness and exact staking with which I grew up. Images of nature are at their most seductive. When you look at a wood of bluebells or a field of buttercups this weekend, you may well wonder why we need tidy gardens and why we do not all opt for the meadow look?

This seductive opposition has always been strong and I think that it is set to become even more prominent. Cost, time and labour tell against intensely tidy gardening unless you happen to be a millionaire in early retirement. It is here that the other side of nature is waiting to burst out as June begins. The sudden rains have promoted a remarkable crop of young weeds where there was bare soil only two weeks ago. If we opt for the natural road, how do we cope with nature's own hordes which wreck a conventional garden?

This question is not answered by artistic photo-

graphs of Cow Parsley in full beauty at this time of year. It looks divine, but it will look a mess in three weeks. The place to enjoy it is on the perimeter or on a walk far afield. I have no sympathy with those who try to promote these images as the way forward in gardening. One aim of good gardening is to extend its season, maintain interest beyond July and please a range of plants which are not merely at their best when anything, even nettles, is looking green and inspiring.

On the other side, I am not alone in admiring, but avoiding, the precisely controlled order and neatness of many great gardens which can rely on a staff of two or three. We can, I suppose, imitate them in small spaces, but my garden of nearly two acres is not small and I appreciate the advantage that I can grow, kill and satisfy a much wider variety of plants than in the small oasis of perfection, 50 yards square.

What we want is a style of manageable order among a wildness which is not too demanding of our time or too dangerous for our plants' well-being. This style must continue for longer than the 10 easy weeks until the end of

June. I continue to experiment, but am not sure that I am winning.

Where do you go to see the possibilities? After a recent visit, I am tempted to say Great Dixter in East Sussex, open daily to afternoon visitors and home of our senior authority and writer on gardening, Christopher Lloyd. Much has

been said and written about this remarkable garden, including its taste in unexpected colours and the owner's gleeful removal of his rose bushes a few years ago. True, the roses were replaced by the ultimate abomination of polite gentry taste, batches of the reviled Canna. I do note, however, that the Canna-for-rose policy had already been sketched in Christopher Lloyd's classic book,

*The Well Tempered Garden*, in 1970. All these aspects of Great Dixter are famous, but the one which interests me most is the gardener's constant dialogue with the line between ordered tidiness and the natural world, enhanced by its owner's matchless eye and knowledge.

The line is most evident in the garden's areas of unknown meadow where the grass is suitably restrained and allows a competing colony of "wild" flowers. The meadow sections have been built up over time, but I have come to see how the same openness to plants and effects more usually classed as "wild" or "natural" run through much of this famous garden's planting.

There is a similar air of controlled wildness through so much of the planting, even though its natural peak of early June is long past in the surrounding countryside. How does one do it?

One precondition is to widen the scope of our knowledge and sensitivity. Anything from woodruff to moderately rampant *spurge* is pretty if you look at gardens with an eye which comprehends more among wild flowers than the annual spectacle of buttercups or bluebells. Lloyd knows so

much more than the rest of us, but he exhibits this knowledge in part in his re-definition of the line between the standard "garden" plant and the creatures which botanists classify in nature.

On principle, he also likes parts of the garden to have a gently invaded look. There must be a certain relish in hearing of visitors who think that it is looking messy or going back now that the owner is over 70. I am one of many who can testify that next to nothing is there because the owner has not thought whether he likes it.

The crawl begins from 7am onwards, guided by eyes which miss next to nothing. Apparent disorder is based on an extremely vigilant and critical eye and perhaps we can find the example which will push our own definitions of gardens and wild nature into a closer harmony. My ideal is to have a garden which looks as if it is just going out of control.

This weekend, that ideal is easy to realise for anyone who does not have an army of staff. It is less easy to re-create in late July or October. It is here that even at Dixter, the old dilemma asserts itself. What



David Austin roses introduced seven new English roses to Chelsea this year including 'A Shropshire Lad'

you see, and should certainly visit, is a large garden, constantly maintained by this country's most knowledgeable private gardener and a team of staff. It is less easy to re-create in late July or October. It is here that even at Dixter, the old dilemma asserts itself. What

many people to maintain a great garden which looks wild in parts without being uncouth. If we are to emulate this example in gardens of half an acre or more, we still need to temper the style so that we are not swamped with butter-

flies or invaded by bindweed. *The Well Tempered Garden* is the most admired title of Dixter's owner, but the truth is that it is a creation against the background of nature which is always remarkable for a bad-tempered ability to hit back.

## Motoring A curvier image

Stuart Marshall on the rounded lines of Volvo's S40 and V40

**V**olvo cars and curvaceousness are no longer incompatible. The old school of Volvo stylists, who must surely have cut their professional teeth designing shipping containers, have gone. In their place is a team led by Peter Horbury, an Englishman, who clearly thinks cars should be rounded, not rectangular.

As a result, the new S40 and V40 Volvos are as different from the traditional ones as chalk is from cheese.

The Volvo S40 is a four-door saloon, the V40 (the V stands for versatility) is what you and I would call an estate though Volvo shies away from simplicity, preferring to describe this five-door with lots of luggage space as a touring estate.

Curiously, BMW and Rover have the same hang-up with their 3-Series and 400 life-style load carriers. They call them Touring and Tourer respectively, presumably to kill any ideas that they might be used to lug plastic bags of household rubbish to the corporation tip.

S40 and V40 are made in the Netherlands, rolling off the same production line as Mitsubishi's Carisma in a plant jointly owned by the two car companies and the Dutch government. From this, one might infer that S40 and V40 and Carisma are rebadged clones but nothing could be further from the truth.

True, they share the same platform - the modern equivalent of a chassis - and their critical dimensions are identical so as not to confuse the robots. But only 20 per cent of the bits and pieces are shared. Volvo uses its own engines, transmissions, suspensions and body panels.

Mitsubishi has aimed the Carisma, a highly competent if uncharismatic car, at the Mondial/Vectra market. Volvo's ambitions for S40 and V40 are higher, with the Audi A4, BMW 3-Series and Rover 600 in its sights, for the poster examples of its large model range at any rate.

Volvo is offering S40 and V40 on such an extensive pick-and-mix basis that what the customer gets is not quite an individually tailor-made car but at least a stock special.

There are four "platform" models - 1.8-litre and 2-litre engined S40 and V40 - priced from £13,800 (1.8 S40) to £14,800 (2.0 V40). But this is only the beginning. Buyers have six specification packs to choose from, ranging from a handling pack (sports suspension) to luxury (air conditioning and leather seats).

Then there are 40 individual options - everything from a passenger airbag (£200) to integrated child seats (£250) - and 12 paint colours. In theory, 14,000 different derivatives are on offer.

The four-cylinder, 16-valve engines are Volvo's own and are closely related to the five-cylinder engines powering Volvo's first really modern car, the front-wheel driven 850.

Although the 1.8-litre produces 115 horsepower com-

pared with the two-litre unit's 140, its maximum torque (pulling power at a given speed) is only marginally less and is produced at lower revolutions. So, in practical terms, the two cars feel much the same to drive at legal speeds.

The 1.8-litre is said to take just over one second longer to reach 100kph (62mph) from a standstill (10.5 seconds against 9.3 seconds) and - as if it mattered - has a lower top speed (121mph/195kph against 130mph/208kph).

Realistically, it is the handling pack that makes most difference. The first new Volvo I drove was the £13,800 S40 entry model. Frequently I prefer basic models to their sportier variants but in this case, I found the cheapest S40 was bland beyond belief.

On the A9 between Inverness airport and Skibo, it could have been any of the similarly priced European (or Euro-Japanese) competition and I was deeply sceptical of Volvo's claim that the S40/V40 could

**Volvo Car UK**  
expects to sell  
around 7,000  
S40 saloons  
and V40s  
this year

look a BMW 3-Series or Audi A4 in the eye.

Next day, when I drove west to Ullapool in a £19,000-plus V40 1.8-litre with a handling pack, leather seats and all manner of luxury items, I was persuaded it could have been a BMW or Audi.

It felt more solid, sat down four-square on the road and cornered with greater precision. The engine and five-speed manual transmission were identical, so, of course, were the standing start acceleration times and pick-up for overtaking. But in character it was an executive car, not a "reproducible", and as pleasing to drive as a basic model had been boring.

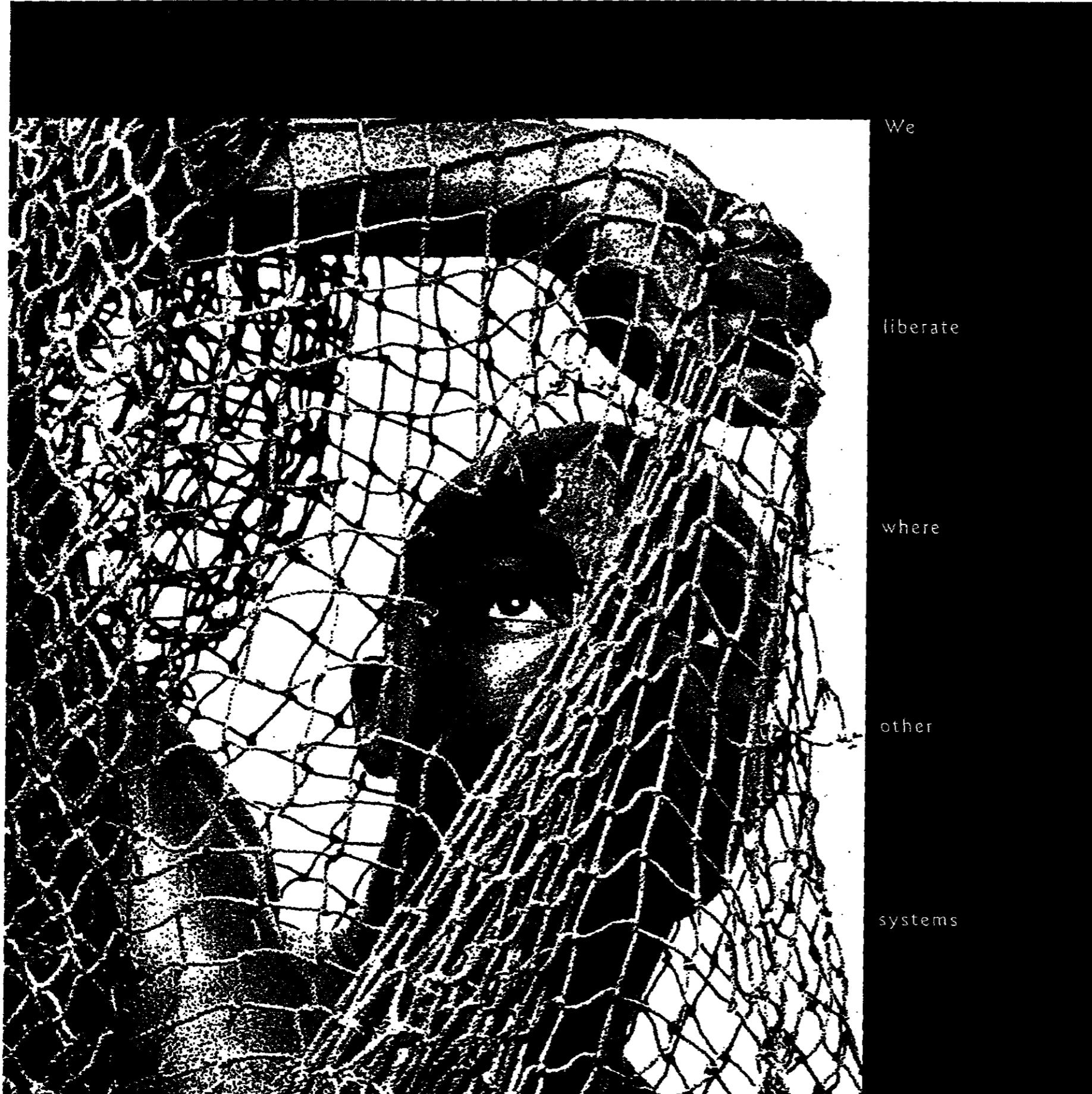
Switching to a two-litre V40 for the return leg to Skibo revealed only marginal performance differences. Volvo Car UK expects to sell around 7,000 S40 saloons and V40 touring estates this year, rising to 20,000 next year, when a 1.9-litre turbo-diesel will be added to the range.

□ □

The trouble with motor shows is that everything on display is static when the whole purpose of all those gleaming cars is to provide personal mobility.

So full marks to BBC's Top Gear programme for setting up a new kind of motoring event at Silverstone Circuit, Northamptonshire, from July 18-22. The exhibits will be seen in action and some will be available to drive - under supervision and on payment of a fee.

For full details, call BBC Haymarket Exhibitions on 0171-402 2555 (fax 0171-402 0920).



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## OUTDOORS

# Everest shows its wicked side

**Richard Cowper** has just returned from the Himalayas. His report focuses on a mixture of success and tragedy

**I**n a season marred by tragedy, Alan Hinkes, Britain's most controversial and outspoken Himalayan mountaineer, has finally made it to the top of Everest on his third attempt, bringing to six the number of 8,000-metre peaks under his belt, more than any other Briton.

But his unlikely climbing partner, Brian Blessed, the 16-stone actor, was forced to turn back just 1,468 metres short of the summit.

Blessed is obsessed with his hero, George Leigh Mallory, who disappeared in mysterious circumstances on the north side of Everest in 1924.

The actor turned back ostensibly because of high winds, fear of frostbite and exhaustion. But this may have only been part of the reason.

Just four days before the two climbers started their summit attempt on May 15 up the wind-swept north ridge, news had started to filter back down the mountain of the first of 10 deaths on the mountain, the greatest number of people to have been killed on Everest in a single season since climbing began there in 1921.

In particular, hearing how two Japanese climbers, Hiroshi Hanada and Eisuke Shigekawa, were said to have ignored three dying Indians on their way to the summit on May 11 so horrified the sensitive actor that his normal self-confidence seemed to have deserted him.

"The winds were terrible. The death of the Indians and the bad weather patterns really did help me make my mind up. My fingers and feet were beginning to suffer frostbite. It scared me. Everest was showing a wicked side to its nature," says Blessed, explaining his decision along with Martin Barnicott, his personal guide, to turn back at 7,380 metres.

This was to be his first and only attempt on the peak this spring. "Mental stamina is the most important. My heart no longer seemed to be in the climb. By then I had blown it. I couldn't recharge," said the actor.

Had Blessed gone to the top he would have had to walk past the frozen bodies of two of the Indians, one at around 8,680 metres, 50 metres above the second step, the biggest climbing obstacle on the ridge, and the other 100 metres above Camp III and below the first step.

Physically and mentally tougher, Hinkes and TV director Matt Dickinson - who was making a film based on the premise that Blessed would get to the top - descended to the North Col at just over 7,000 metres along with the actor. But the following day both were strong enough to head back up, eventually to reach the summit on May 19 in mixed conditions.

Hinkes used oxygen for the first time and brought up the rear behind three sherpas and Dickinson, all from the British 1995 North Ridge Everest Expedition. He said: "I did not feel I was pushing the boat out like I was on K2. Even if I did use oxygen, it's done. I don't regret it."

"My job was to film from the top. It felt like a day in the Alps except for that one poignant moment just below the summit, when I came across the Indian without his jacket, lying in the snow."

Perhaps partly driven by the loss of his mother at the age of 12 and a father who never appreciated him, the refreshingly direct Yorkshireman makes no secret of his ambitions. For him Everest is simply the biggest tick on his way to mountaineering stardom.



Alan Hinkes: making a living is acclaim enough

Later this month in a grueling schedule he plans to climb Gasherbrum I and II in the Pakistan Karakoram mountains in his drive to become the first Briton to climb all 14 of the world's 8,000-metre peaks, afeat achieved so far by just four people.

"We have been totally overwhelmed by other nations in this respect. I hope to bag them off as quickly as possible by the safest routes," said a jubilant Hinkes, after brushing off suggestions that his oxygen-led ascent of Everest's north ridge route may have lacked style and originality.

On Everest this spring, Hinkes was not alone in this respect. Of the 15 expeditions on the Tibetan side, involving as many as 200 climbers, only three were attempting anything remotely aimed at pushing back the boundaries of Himalayan mountaineering.

Most impressive was a Russian team's successful attempt on a beautiful snow and ice gully, newly named the Siberian couloir - just to the east of the North Col.

Also trying to break fresh ground was Hans Kammerlander, 39, the Italian partner of Rheinhold Messner. He was the only climber on the north side to reach the summit without the use of bottled oxygen this season and he combined this with a hair-raising part descent of Norton's couloir on skis, the most prominent feature on the great north face of Everest. A complete ski descent was made impossible by the lack of snow in the couloir and a band of

For Hinkes, Everest is simply the biggest tick on his way to stardom

ice-cliffs about half way down. Earlier a Slovenian attempt to ski the same couloir failed when the expedition's only skier, Davorin Karnicar, suffered severe frostbite in the fingers of one hand.

To date, there has been no accepted ski descent of the world's highest mountain. A Japanese attempt more than a decade ago involved a descent in the no-man's land between Lhotse and Everest and has not been counted as a descent of the mountain proper. Kammerlander's claim may meet the same fate because of its intermittent nature.

Hinkes, meanwhile, remains unmoved by pleas from fellow British mountaineers to "fulfil" his own undoubted talents by going for new routes on the big mountains. For him, being a highly competent journeyman mountaineer, successfully making a living is acclaim enough.

Blond-haired with ice-blue eyes, when he is not away on expeditions he acts as a model and adviser to Bergans, the mountaineering outfitters owned by Pentland, the sports-wear and consumer products group. He is also sponsored by Land Rover.

A typically uncompromising Yorkshireman, Hinkes is undoubtedly at the pinnacle of his career as a climbing athlete. His success on Everest this year comes after he achieved his own personal high point last July when he climbed K2, what he calls the "mountaineer's mountain".

But in spite of these public triumphs he has gained a controversial reputation among his peers, notably for his insensitive criticism of Alison Hargreaves, the British mountaineer.



On the north side of Everest: loading up at base camp in Tibet at 5,200 metres. Everest, with its steep north face pyramid, is in the distance

Richard Cooper

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## BOOKS

In order to research and write this book the author, a young black Oxford University doctoral candidate, spent a year living as "one of the boys" among two groups of young black Londoners. She states, in her introduction, that her "study" is of "culture".

"I believe that the collective styles of black youth... can only be strengthened by the resistance to any imposed definition of 'blackness' and the recognition of the cultural battle for the ideological space to be 'black' - whatever that may mean."

Well indeed, whatever that may mean. Claire Alexander achieved her doctorate with this study, and will in all probability go on to enjoy the fine career that she deserves. But there is a problem with this book which speaks to the heart of the academy, the publishing world, and ultimately to British people's understanding of the wealth of history and research on their doorstep.

One of the more disturbing

**THE ART OF BEING BLACK**  
by Claire Alexander  
Oxford University Press £16.99,  
200 pages

recent developments within the American academy has been the growth of "black studies". Historically such departments evolved out of post civil rights optimism and it has to be admitted guilt.

Initially these departments were underpinned with research and scholarship which keyed into history, literature and sociology in a rational and coherent manner. These days they seem to have become dumping grounds for scholars and students whose main qualification for membership is what they see in the mirror when they brush their teeth in the morning.

As though fearful of appearing to be unhip (or dare we say "unblack"), their "high" work is often peppered with references to "low" work, which authenticates their otherwise tenuous (and often tenured) position. Alexander punctuates the passage quoted above with these three (relevant?) lines from the British soul band Soul II Soul: "Whatever you claim to be

Yours, That's the nature of this Game."

Had she not informed me it was Soul II Soul, I would have guessed at Abba.

*The Art of Being Black* ushers us through the primary areas of contemporary young black people's lives. We move from the home, to work, we explore their social life, and their attitudes to their peer group and to women.

The narrative structure is in three parts. First, there is Alexander's first-person engagement with her "players" (as she terms them). "On a night out with Clive and Nathan, walking across Leicester Square to get to a wine bar." Second, there are the first-person extracts from conversations with her players. "My colleagues interfere quite a lot with the positions I can



Young, black and British: are they ill-served by "cultural studies" from an academy unsure of its legitimate connection to the real world?

## Cultural references

Caryl Phillips goes in search of the real black British experience

get... I think they think of me as another coon, a black person who thinks he's got a bit of brains..." As long as the book stays true to these two narrative points of view, it remains on relatively stable ground.

However, the third and largest portion of the book is written in the flatulent, unnecessarily obfuscating, and redundant argot of an academy which is unsure of its own legitimate connection to the real world and seeks to "control" that world by appropriation of its vocabulary or by throwing up a smokescreen of mumbo-jumbo which does disservice to both the players and the English language.

Surely there has to be another way of talking about this than "What it means to those wearing it remained largely unconsidered, merely assumed. It was also assumed that because the external trappings had only then reached public attention, the impetus behind them had itself been recently created."

The "art" of being black (in

itself not a bad, if somewhat misleading, title) was first explored by the American intellectual W.E.B. Du Bois in 1903. He described the "Negro condition" as being characterised by a kind of "double-consciousness", a state of being in which, as a black person, one was often forced to look "at one's self through the eyes of others".

The gap between one's sense of self, and this knowledge of how others viewed one, was the space in which most black people lived. Black people's ability to be both aware of the stereotype, and to manipulate their lives in this often narrow zone, has constituted the 20th century condition of those of the African diaspora.

Bearing Du Bois in mind (and Alexander quotes from him), the book's conclusion is disappointing. She is able to sum up, in less than two pages, what has happened to her players. It is a shame that she should be so brief, because we do learn about the black English condition through her

field work. It is only when she returns to Oxford to process her work that she loses us.

The stories of young black people trying to get to university with neither money nor parental support, or of the difficulty of living with parents who are still culturally attuned to a world they left behind 40 years ago, are narratives which ought to form the heart of the work.

But the book is that strange, yet familiar, creature: the doctoral thesis buffed up for publication, and to this end the publishers have to take some responsibility. The "triple" narrative is not properly stitched together, for the book lurches clumsy from one point of view to another, and it is overly footnoted and at times incorrectly so.

The author makes much reference to a pioneering work in this field, *Endless Pressure* by Ken Price, which does, thankfully, place primary emphasis on the author's field work among the black community of Bristol. Price states in his

introduction that the research took place between 1968 and 1974. Alexander's book, however, continually states that the book was published in 1987. *Endless Pressure* was, in fact, first published in 1973.

Oxford University Press has rushed into print with a British companion piece to the "culturally black" US academic work that it published by Henry Louis Gates and Michael Eric Dyson. But a greater service to this author would have been the provision of better editorial help and back-up in making the often difficult transition from thesis to book.

To allow Alexander to conclude with the following statement is an abdication of editorial responsibility, for such banality does a service to nobody, least of all the black British community which has been a presence in this country for 500 years:

"Being black" is at once a demand for inclusion within the bounds of "British" identity and a celebration of "hybridity" - "I am not, really, a stranger

any longer" (Baldwin 1986).

It makes no sense for Alexander to litter her text with quotes from Cornel West, Henry Louis Gates or even James Baldwin, while failing to mention Oladuwa Elegano, Ignatius Sancho, Robert Wedderburn, Mary Prince or any of the black British writers and citizens who have struggled to be included "within the bounds of 'British' identity". These people are the direct antecedents of her players.

In this same manner, as eloquent as the American academic icons are, the pioneering work of Paul Edwards, and the work of James Walvin, to name just two British academics, has provided a more stable and critically important platform for scholars such as Alexander.

The often self-aggrandising rhetoric which has been emanating from the cloistered world of American black studies departments bears only a tangential relationship to the British condition. We must exercise vigilance.

**William Pitt the Younger** was born in Anno Mirabilis, 1759, the year in which his father, soon to be created Earl of Chatham, presided over a great succession of British victories - from the frozen shores of Canada to the tropical heat of India, by land and by sea - which extended the British Empire and secured its foundations.

A mere 24 years later the precociously brilliant younger Pitt was himself prime minister, a mere boy in age but so eloquent, commanding and self-possessed, that after his maiden speech in the House of Commons the great Charles James Fox described him as "already the first man in Parliament".

Pitt was prime minister from 1783 to 1801, and again from 1804 to his death in 1806. If the French Revolution had not happened he would be remembered as a great statesman. In the peaceful first six years of his ministry he showed himself to be liberal-minded and astute; he was a promoter of parliamentary reform, an enemy of the slave trade, and a good manager of the economy.

He was austere in his political morals, refusing the easy self-enrichment offered by service under the Crown. But unlike his father he had few gifts as a war leader, and when the long and costly conflict with France began he made bad mistakes, both in the prosecution of the war and in repressive and liberal domestic policies designed to safeguard against revolution.

Almost the only positive achievements of Pitt's wartime work were the introduction of income tax - a fairer way of raising revenue than the direct taxes which chiefly disadvantaged lower income groups - and his attempt to remove the legal disabilities of Roman Catholics when union was effected between England and Ireland.

Had it not been for the intransigence of George III, the subsequent history of Ireland might have been very different. Pitt resigned over the question, but returned to office when the inadequacies of his successor, Addington, became manifest. By then Pitt was ill, and the continued failure of the Allied war effort against Napoleon proved too much for his strength.

The last nine years of Pitt's life are minutely and absorbingly dissected in this third volume of John Ehrman's monumental biography. If ever there was scholarship at once majestic, profound and grippingly readable, this is it. The first of Ehrman's massive tomes appeared 27 years ago, the second 12 years ago. The book is accordingly a life work, and Ehrman's knowledge of the years of Pitt's ministries is extraordinary.

But what transforms his account is the sagacity of his judgments and the brilliant ease of his prose. In Pitt's time party rivalries were fluid, and much depended on eloquence in the House. To the hour came the men; it was an age of magnificent parliamentarians capable of swaying the course of empire by a single speech. Pitt and Fox were outstanding orators, and debates in the packed and electric House were gladiatorial. Place all this in the even headier setting of revolution and war, and the tension in each line of Ehrman's book keeps one turning its pages as if it were a thriller.

The story ranges from financial crises to mutinies in the navy, from the politics of union with Ireland to largely unsuccessful attempts at prosecution of the French war. In Ehrman's masterly narrative we are taken into the cabinet and the royal levee, and constantly in the background can be heard the sometimes curiously loud growl of that tickle beast, public opinion. Not even in Pitt's brief retirement are its pages as if it were a thriller.

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## BOOKS

One of the slogans that appeared in Paris during the famous events of May 1968 was "Be a realist, demand the impossible". And one of the reasons why the events continue to be known simply as "the events" is that nobody can think of a better word to describe them. They began as a spontaneous uprising by students which shocked the establishment - left and right alike.

Yet some of the students knew what they wanted. As Daniel Cohn-Bendit said at the time: "The workers will obtain the satisfaction of a number of material demands, and the moderates in the student movement and the teachers will put through important university reforms." There would be no revolution, he went on, only "successive adjustments". That is exactly what happened.

The episode may be taken as a summary of 100 years of socialism.

Donald Sassoon concludes his long book on the subject with the thought that, in western Europe, "the main achievement of socialism in the last hundred years has been the civilising of capitalism". The corollary remains, however, that if the socialists had not demanded the impossible, they would have achieved even less.

Sassoon seems a little sad about this. He also cannot quite conceal a wish that the US does not exist. The US, he writes, is "the only capitalist power devoid of a strong socialist party". Thus, when the cold war broke out in the late 1940s, west European socialism "had to develop under the international protection of a country

whose ethos, traditions and outlook were deeply hostile to socialism". Socialism in the other part of Europe, of course, had already fallen prey to Stalinism.

One suspects that the world, or at least the Europe, Sassoon would like is one where all roads lead to socialism. Nevertheless, he gives a compelling account of the obstacles along the way. The fundamental question was whether socialism required a revolution or whether it could be achieved through the ballot box. The revolution in Russia in 1917 pointed to the former, yet as early as 1920 splits in the European left, whether called communist or socialist, were apparent. The Soviet Union sought to control the move-

ment. Soviet defects went largely unnoticed because the USSR was unaffected by the crash of 1929. Soviet planning seemed the order of the day and the Soviet Union

deprived them of domestic support. The maintenance of strong communist parties in western Europe, notably France and Italy, meant that the left was divided. Sassoon calls the 1950s the golden age of capitalism as consumerism began to spread. Yet it is not as if socialism failed to have an influence.

Even Conservative parties could introduce measures of social welfare, if only to keep the workers happy. The Germans had introduced health insurance and a general pension scheme in the 1950s and there was no automatic reason why the rise of an organised labour movement should automatically lead to socialism.

Apart from the argument

there is no reason why a militant feminist should not be a Tory voter. And what shocked the establishment about the events in Paris in 1968 was the apparent disregard among the students for political parties of any kind. There was an assertion of individualism.

Yet one fact remains clear. If a socialist party is to be elected, it needs the support of more than the working class. That was shown by the British Labour party in 1945, it was the lesson learned by the West German Social Democrats and is currently being followed by Tony Blair. Still, never overlook the other side of the coin. The parties which most obviously represent capitalism are also capable of learning. Socialism may have been a civilising influence, but who is to say that Conservatives and Christian Democrats have not had an influence on socialism? Political parties learn from each other and adapt to "events".

## Revolution - via the ballot box

Socialism's main achievement has been to civilise capitalism, writes Malcolm Rutherford

## The harlots of fleet street

J.D.F. Jones warms to the tabloid press

Lord Beaverbrook in 1922 suggested that "A newspaper is like a young and beautiful girl." Stanley Baldwin changed the metaphor nine years later in the best-remembered quotation of his career - "Power without responsibility, the prerogative of the harlot throughout the ages." The prime minister's words were not reported in Beaverbrook's *Daily Express*.

Matthew Engel, a Guardian writer and also editor of *Wisden*, has produced in *Tickle the Public* a splendidly readable and witty history of the harlots of Fleet Street over the past century, taking May 4 1896 as "the real beginning of British popular journalism" - the date of the first edition of the *Daily Mail*.

His thesis is that Britain's successful national newspapers are run by proprietors and editors who understand the taste of the generation and are then invariably overtaken by "newer, brasher, less inhibited competitors. It is like a biblical list of begettings. Thus the *Times* was superseded by the *Telegraph*, which was superseded by the *Express*, which was superseded by the *Mirror*, which was superseded by the *Sun*. There was every reason to suppose that the *Sun* would one day supplant the same fate.

Engel therefore has plenty of fun leading us from the Harmsworths (Alfred and brother Harold) of the *Mail*, past the *Express* and the *Mirror*, which were dominant for 25 years after the last war, and through to Rupert Murdoch's self-described "sex, sport and contests" of the *Sun*. "When Rupert Murdoch entered Fleet Street, it was as if a gunslinger had cracked open the swing doors of a Dodge City saloon and found himself staring into the snarling bar of an English country pub. Everyone looked up briefly, then tried to go back to their pints."

There is plenty of indignation behind Engel's wit. Beaverbrook's operation, which emerged to success in the 1920s, is declared to have been less than honest. The *Mirror*, which topped 5m circulation in 1964 ("The *Mirror* is a sensational news-

paper. We make no apology for that. We believe in the sensational presentation of news and views...") - a paper for which many journalists - even today have a nostalgic affection and respect - went disastrously up-market in the late 1960s, with the result that the Andy Capp reader departed to the *Sun*. Murdoch has a vacuum and a moral void at the heart of his empire because he believes in nothing and allowed his notorious editor Kelvin MacKenzie to cross a dangerous frontier - not just to distort the facts but to change them. (MacKenzie is nevertheless described as a genius.)

Engel starts with a long section

**TICKLE THE PUBLIC**  
by Matthew Engel  
Gollancz £20, 352 pages

**THE GREAT OUTSIDERS**  
by S.J. Taylor  
Weidenfeld & Nicolson £20, 377 pages

on the Harmsworth brothers and seems to find the shy money man Harold as intriguing as the more celebrated Alfred who by 1914 owned the *Mail*, the *Mirror*, the *Times* and the *Observer* as well as many other titles.

The curiosity value of Harold also emerges in S.J. Taylor's *The Great Outsiders*, a rather more respectful centennial history of the Daily Mail. The story of Alfred and Harold - who became Lords Northcliffe and Rothermere respectively - has been worked over many times, and it is hard to see much point in another version except to celebrate the birthday. Taylor devotes the lion's share of her space to Northcliffe, not surprisingly since Rothermere has always been seen as the unambiguously plodder. For those who do not know it, the tale is extraordinary. Alfred was, in Taylor's words, "a jumped-up, ill-educated opportunist who had made his start on a bicycling magazine published in Coventry."

That led to the phenomenal suc-

cess in the 1890s of "Answers to Correspondents", "Comic Cuts", and then to the *Evening News* and the *Mail*; he invented the word "tabloid"; he was the youngest created peer of the realm, he became a megalomaniac, then literally mad, and died young in 1922, not of syphilis, as is frequently said, but, argues Taylor, of malignant endocarditis. He was a colossal character: when he decided to take up golf, he stood at the tee for eight hours and made 224 consecutive drives until, collapsing from exhaustion, he was led from the course and to his bed to recover...

The delicate part of a book like this is to tackle not so much Northcliffe's monstrous side as Rothermere's fascist leanings in the inter-war years.

Harold had lost his brother and, in the war, two sons; his domestic life was not happy; he was nomadic and profoundly pessimistic; he was a friend of Beaverbrook and together they made mischief with the United Empire Party, which even Taylor says was "folly".

She has earlier described the *Mail*'s exploitation of the forged Zinoviev Letter in the 1924 election as "masterly". She later argues that "he might be wrong, but he was honestly wrong; there was no trace of corruption about him." Yet Rothermere did much more than flirt with Mosley, Mussolini and Hitler. "If choice must be made, any well-informed individual might have favoured the rising powers in Italy and Germany," writes Taylor, and I do not know whether she is being ironic. After Munich, Rothermere sent Hitler a telegram: "My dear Fuhrer, Everyone in England is profoundly moved by the bloodless solution of the Czechoslovakian problem..."

Taylor's conclusion to what now emerges as corporate history is: "His open and ingenuous dealings with Hitler were part and parcel of the duality of his character..." Rothermere, we are told, should have used a spoon with a longer handle. Matthew Engel would put it rather differently.

Rereadings/Max Wilkinson

## Spook messages

During his last illness, my grandfather gave me a battered red book, which he obviously thought was a minor classic. After re-reading it over many years, I think so too and am surprised that modern publishers do not agree.

*The Road to Ender* by a first world war lieutenant, called E.H. Jones, must be one of the strangest mixtures of adventure and proselytising ever written. It starts in a Turkish prisoner of war camp in 1918 where Jones and a few other officers decided to pass the weary hours with some rather lighthearted experiments in the occult.

Two men sat opposite each other, around a "Oija board", touching an upturned glass on a tin tray which would spell out messages from spirits of the dead. But soon the joke became deadly serious.

Unknown to his companion, Jones secretly guided the glass to spell out pretend messages from a spook; and before long most of the camp believed that the messages were genuinely coming from the other side.

This view was reinforced when Jones demonstrated extraordinary telepathic powers with a fellow prisoner, E.H. Hill. Skeptics were finally silenced when the spirit revealed war news that the mediums could not possibly have known and uncovered the secret paths of brother officers.

Then in a final test, the mediums were blindfolded and given a new board in which



the letters were scrambled according to a code kept in another room. As expected, the spirit messages became completely garbled, but when translated according to the code, they made perfect sense.

The explanation of how the "mediums" accomplished these feats, and the complex code developed for their "telepathy" demonstration, is as lively as the best detective story.

And all this was only the beginning of a daring escape plan.

Jones and Hill feigned madness, supposedly to find treasure for the Turks, but really to escape to England. Later, their spooking provided evidence for the camp commandant to be court-martialled.

The story of this magnificent deception is told with humour and much piquant detail, including verbal reports of the spook's utterances. Discovery would probably have to be.

meant death, but Jones, who was trained as a psychologist, had a brilliant and versatile mind, while Hill, unknown to most of the camp, was a master conjurer.

The book was an immediate success when it was published by The Bodley Head in 1919. It went through five editions the next year and 15 during the following decade. It was reprinted in the Bodley Head Weekend Library in 1989, but thereafter faded from view. It was published by Pan Books in 1974, but is long out of print.

This is surprising, because in addition to the high psychological drama, and some fascinating descriptions of prison camp life, the book has a deeper purpose, which was doubtless why my grandfather gave it to me.

Jones pours contempt not only on his gullible captors (and more gullily on his fellow officers) but on all "true believers" in the paranormal. His book is a thundering riposte to all the sloppy research and pseudo-science which encouraged such credulity - such as the experiments described by Sir Oliver Lodge in his book, *Raymond*, which was widely influential at that time.

Jones' own performance was so clever that only a genius would have seen through it. And no reader will ever afterwards give a minute's credence to nonsense from the nether world.

Perhaps this is why the book is less popular than it deserves to be.

**B**ook fads come and go. I have been waiting some years now for the tidal wave of travel literature, set rolling in the early 1970s by the likes of Paul Theroux, Eric Newby, Colin Thubron and Jan Morris, to come crashing down. But no.

We live, though, in anguished times. The collapse of the cold-war balance of power, the onset of the new world disorder, has affected everything from economy to spiritual well-being - all round we are a more contentious, insecure and self-searching planet than we were just a quarter of a century ago.

Today's travel writing reflects our new fragility. So, at least, I must conclude after reading a clutch of recent travel books.

Nominally, these are books about travel around the Middle East, the Australian desert, Vietnam and Cape Horn. In reality they are, to a greater or lesser degree, explorations of self. The final destination is not a physical place, but understanding - of personal emotions, of personal existence. The sheer sense of wonder and discovery that fired earlier travel writers seems to have given way to a new mobile introspection.

John Hockenberry's *Declarations of Independence - War Zones and Wheelchairs*, may not be typical of the shift, for its author is a paraplegic American radio journalist who covers hot spots from Israel to Iran from a wheelchair. He rolls about the streets of Gaza under curfew; is pushed through hostile crowds at Ayatollah Khomeini's funeral; accompanies Kurdish refugees over deep rivers and high mountains. With no self-pity, Hockenberry draws a picture of a man of tremendous resource and courage.

## Introspective travel

Nicholas Woodsworth uncovers a new trend

**DECLARATIONS OF INDEPENDENCE**  
by John Hockenberry  
Viking £16, 371 pages

**FLIGHT OF THE KINGFISHER**  
by Monica Furlong  
Harper Collins £16.99, 178 pages

**THREE MOONS IN VIETNAM**  
by Maria Coffey  
Little, Brown £18.99, 291 pages

**MY OLD MAN AND THE SEA**  
by David and Daniel Hays  
Headline £14.99, 230 pages

with books and ideas, she says, and not enough simply "sitting still", as the Aboriginals do, without guilt or anxiety. Much of her attitude is informed, nonetheless, not by sitting and observing, but by historical European acts and attitudes towards Aboriginals and her sense of guilt over them.

Furlong's concentration on Aboriginal spiritual superiority results in weak physical descriptions of an imposing people and a magnificent land. It also leads to preposterous statements denying enormous cultural differences. "If an Aboriginal man says that a particular tract of land is his mother, he does not mean that it is like his mother. It is our failure not to know what he describes", complains the writer. After finishing the book, I felt I knew more about

less. After many difficult miles, the book concludes with the couple deeply involved in the emotional lives and welfare of two Vietnamese children.

It is *My Old Man and the Sea* that best accomplishes the tricky venture of combining inner discovery with travel. David and Daniel Hays are a father-and-son crew who leave New England in a 25ft boat they build themselves, sail 17,000 miles around Cape Horn, and return home. In doing so, they discover each other.

David is a reflective, emotional, expressive man with most of his life behind him. Daniel is energetic, humorous and at 24, not sure what he wants out of life. The day-by-day journal which they alternately keep is in large part a record of their not always easy relationship, in turn funny, moving, exasperated and loving. What makes it work is the bond they share apart from blood - the sea.

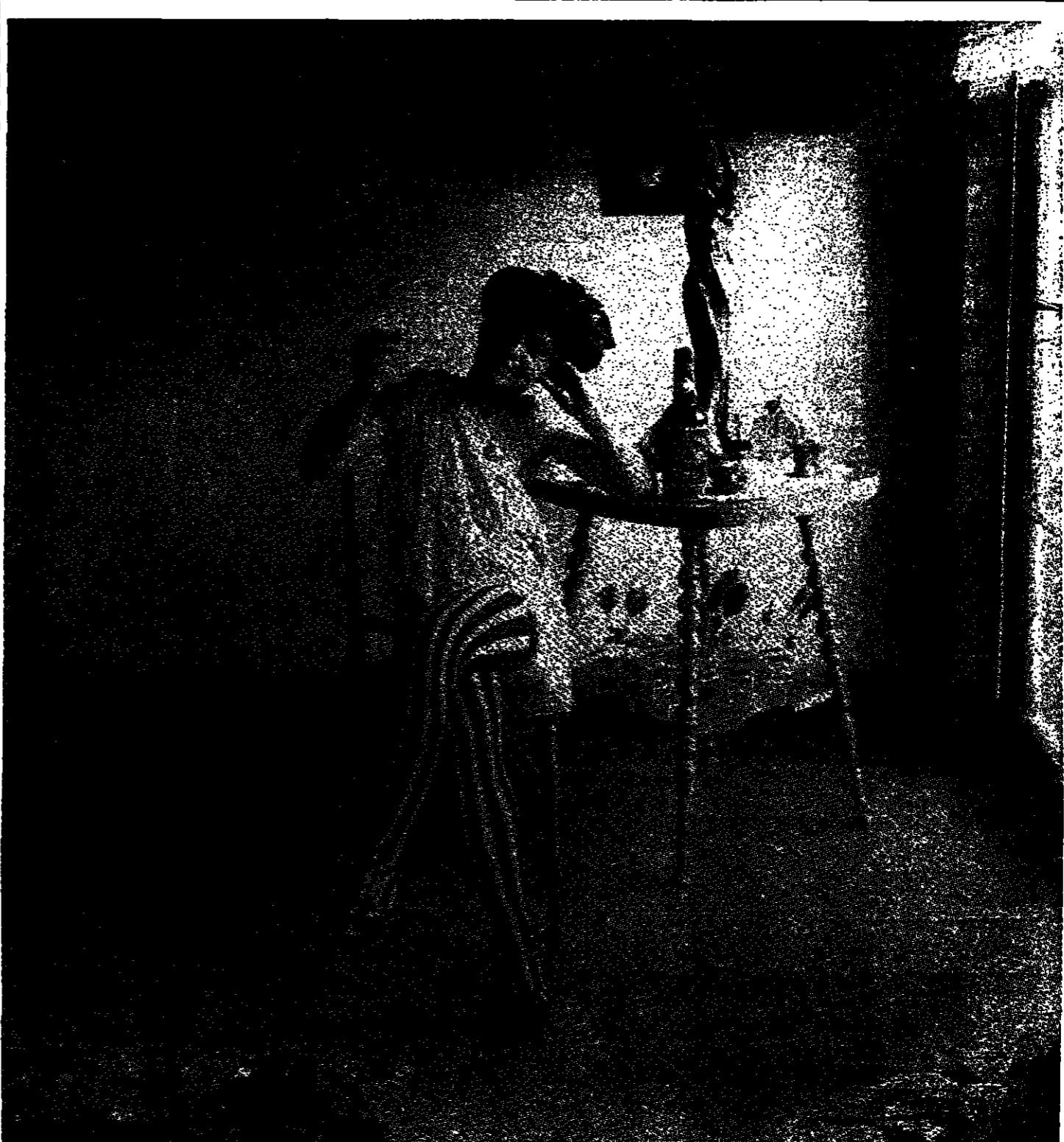
Maria Coffey has a good eye, a real fondness for the country, and describes it well. Only here and there, in the attachments she makes with young children, are there hints that even hardy adventurers have unsatisfied inner longings. Coffey is 42 years old and childless.

For this is also a story of great adventure and daring. Their thoughts, however personal, are always tempered by immediate considerations - tides, waves, storms, winds and rain. Like the best travel writers of any generation, they take as their point of departure the true subject of travel, the real world around them.

## FT BOOKSHOP

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Paperback £1.50 £3.95



Grace under pressure: portrait of a prostitute in a New Orleans brothel, c.1912, taken by the enigmatic photographer E.J. Bellocq, who frequented the Storyville red light district. Reproduced in "Bellocq" (Jonathan Cape £20, 88 pages). Susan Sontag, in an introduction, acknowledges that some portraits - mysteriously defaced - are disturbing. Others convey "the beauty and forthright presence of the women, photographed in homely circumstances that affirm both sensuality and domestic ease"

## COLLECTING

# Dealers lobbied to bring more affordable items

Susan Moore surveys offerings at London's art fairs

**J**une is traditionally the month when the British art trade flies wide its doors to dazzle the world. There are the fine art and antiques fairs at Grosvenor House, the vast Aladdin's cave of more affordable works at Olympia and the specialist ceramics fair at the Park Lane Hotel. The dealers mount big shows, the auction houses launch their summer seasons of sales.

For collectors in any number of fields, from furniture and paintings to Oriental works of art, there may be more than 1,000, perhaps even 2,000, items to view in a few days. It is this intensity of looking, of wining and dining the international community of collectors and curators that converges on London, the whiff of a sale that gives Mayfair and St James's a particular buzz.

Over the years, the dealers at the fairs and galleries have, like their clients, become increasingly international. But

Grosvenor House, as with the Paris Biennale, has resisted the urge to allow in a flood of foreign dealers and remains a predominantly national event. As last year, a dozen of the 87 exhibitors at the fair (June 13-23) come from abroad, with old master dealer David Koest of Zurich and Jacques and Patrick Perrin of Paris among the newcomers.

At Olympia (June 6-16), with 400 dealers, the number of overseas participants continues to grow. This year, a pavilion of French dealers is added to exhibitors from the US, the Low Countries, Switzerland, Hong Kong and Australia. A quarter of the exhibitors and half of the lecturers at the Ceramics Fair and Seminar (June 14-17) come from overseas.

In spite of the dwindling number of homegrown collectors - some would say an all but extinct species - London remains the pre-eminent European marketplace.

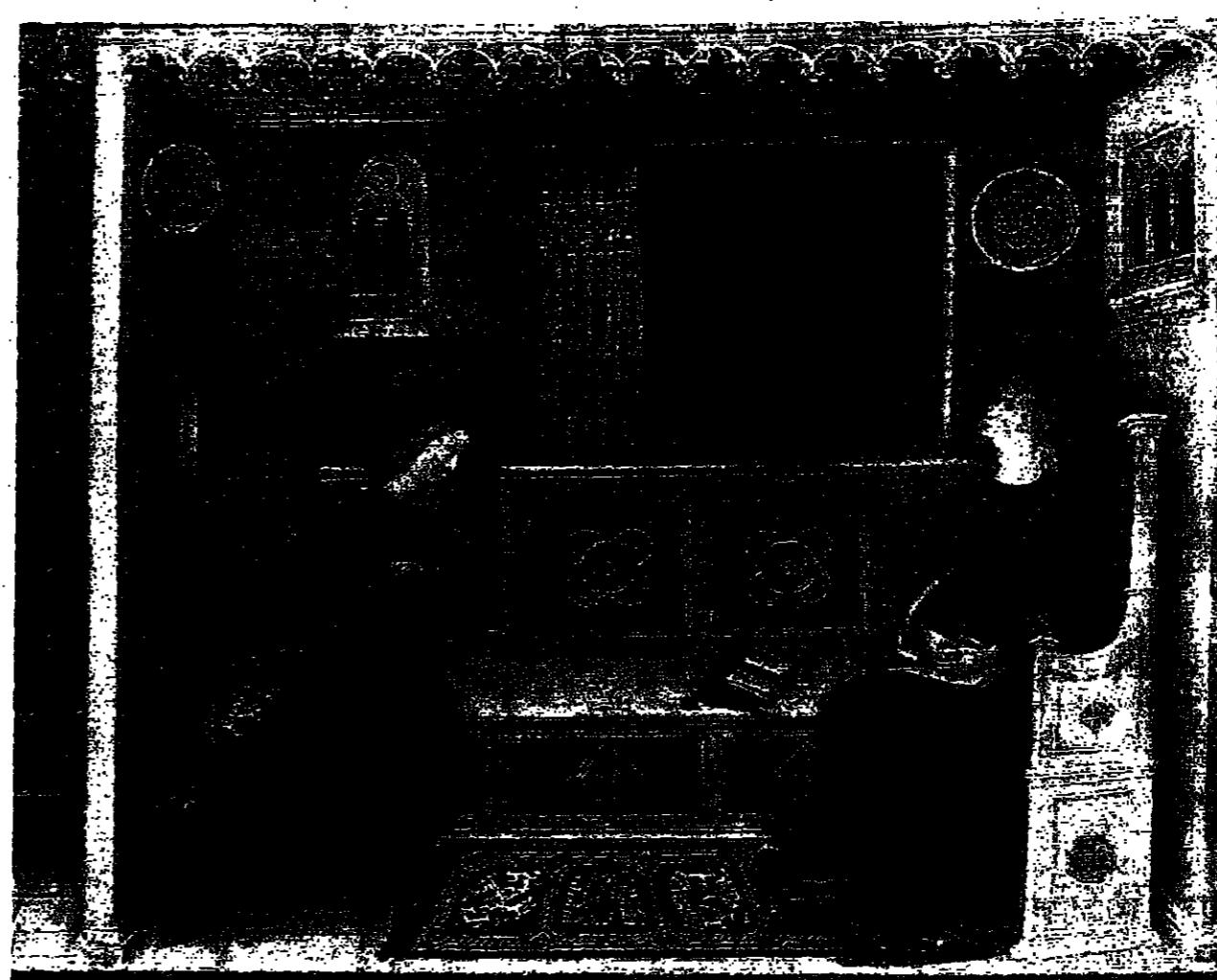
Certainly, Grosvenor House is less a showcase than marketplace these days. Given the recent tough times weathered by the art trade, I suspect we are unlikely to see the return of the likes of a £20m (£16.40m) Turner for many a year. Moreover, the fair organisers are once again lobbying hard for dealers to bring more affordable items - classified as under £10,000. That said, London dealer Johnny Van Haaften spiritedly offers Pieter Brueghel the Younger's large "The Battle between Carnival and Lent" for around £15m.

Grosvenor House is also seeing a gradual increase in the number of exhibiting picture dealers. After the Burlington House Fair, London's great picture fair, merged with the Grosvenor House Antiques Fair in the mid-80s, it seemed the new Grosvenor House would establish itself predominantly as a "brown" or "floor" fair, awash with polite English Georgian furniture with little of interest on its walls. This year, the fair welcomes the return of Colnaghi and numerous paintings of note.

Even the furniture seems less uniformly brown, with George III satinwood richly ornamented with painted blooms and fruit (Norman Adams), Queen Anne red lacquer (Michael Foster) and simulated bamboo jardinieres made for Brighton Pavilion complete with pink bells (Peter Lippich).

Yves Mikaeloff brings a malachite inlaid Russian writing table, Antoine Chenevière Kavalier birch and Mallett a delightful Venetian rococo polychrome lacquer crib.

Apart from the standard fare, Grosvenor House manages to embrace garden sculpture, carpets and textiles,



*The Annunciation* by one of the great figures of 15th century Italian painting, Gentile da Fabriano, in the Matthiessen Gallery exhibition

clocks, scientific instruments, illuminated books and manuscripts and even loan displays of works of art from the Royal family and the National Galleries of Scotland.

No visitor should miss a seeing one of Scotland's best-loved paintings, Raeburn's engaging portrait of The Rev Robert Walker skating on Duddingston Loch - and reflecting that the hotel's galleried Great Room was once London's most famous ice rink.

After a year or two of conspicuous inactivity in the commercial galleries, it is a treat to see the return of impressive dealers' shows. Most spectacular - and winning the prize for the most sumptuous catalogue - is the Matthiessen Gallery's exhibition, "Gold Backs", gold-ground paintings 1250-1450, or pre-Cimabue to Antonello da Messina, held in memory of the

late Sir John Pope-Hennessy (78 Mason's Yard, Duke Street, St James's, June 5-23).

When, back in 1983, Patrick Matthiessen staged a show of early Italian painting and works of art 1200-1450, everyone said this was the last time a private gallery could hope to mount such a costly exhibition.

This latest *coup de théâtre* - the first to cover the subject since 1983 - is all the more remarkable for not being a predominantly loan show as before. All but four of the 21 exhibits - single panels, pairs and triptychs - are for sale at prices between £10,000 and £7m. The quality and condition of many are breathtaking.

It is exceptional to find a 15th century picture on the market today, and particularly one that is not merely a shadow of its former self.

Opening this show is a devotional image of the Madonna and Child, exalted in tempera and gold. Scholarly opinion gives it to around 1220 and to the hand of a Tuscan artist working in the Byzantine tradition. While the gilding was renewed in the 16th century, the original painted surface was preserved by successive updating and overpainting.

The group is particularly strong on earlier work, including Giovanni del Biondo's "Funeral of St Benedict" and the Annunciation by one of the great figures of 15th century Italian painting, Gentile da Fabriano, a gloriously detailed interior pierced by gold-speckled rays of the Holy Spirit directed to the Virgin's womb. Perhaps even more exquisite is the early triptych by the Siennese Giovanni di Paolo. The substantially subsidised catalogue, sold in aid of

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The Arthritis and Rheumatism Council for Research, is available at £25.

At 55 Jermyn Street, Danny Katz presents an impressive gathering of about 66 pieces of European sculpture (June 16

July 26). The focus is on 16th and 17th century Italian and French bronzes, ranging from a unique she-wolf by Sevano da Ravenna, one of the leading sculptor-founders of the late 15th century to distinguished works by Prieur. Prices are from £10,000 to £500,000.

Jean-Luc Baroni of Colnaghi offers another handsome catalogue and show of Master Drawings (4 Old Bond Street, W1, June 26-July 5) with works on paper in various media - pen and white heightened on prepared paper, red and coloured chalks, oil, tempera, pencil (a sensitive Degas study of his younger brother), pastel, watercolour and gouache.

Noortman, who also shows at Grosvenor House, devotes his gallery (49-41 Old Bond Street) to French painting from Corot to Utrillo (until June 28). For enthusiasts of 19th century British art, the Massa Gallery presents "Victorian Pictures" - an extraordinary Roslin thundrcloud, Pre-Raphaelites and Olympians. Prices for drawings start at £250. At 2650-2652 Clifford Street, W1, June 4-July 12, The Rafael Viñoly Gallery (6 Ryder Street, St James's) shows contemporary protagonists of the traditional art of trompe l'oeil painting (June 10-22).

Spink displays the beauty of real silk at 5 King Street (until June 29); from early 18th century English and French embroidered coverlets to panels of Italian brocade. The firm's annual exhibition of English watercolours and drawings runs until June 21; the 27th marks the launch of its new jewellery department with arrays of fancy coloured diamonds, art deco and contemporary jewels, and loose stones. Take a good friend. Prices soar to more than £1m.

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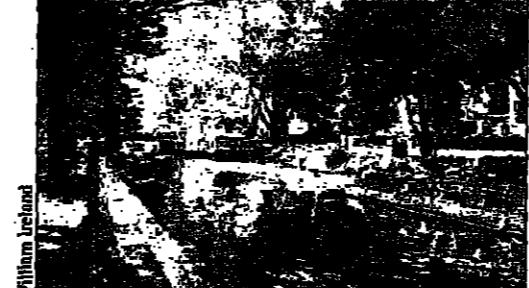
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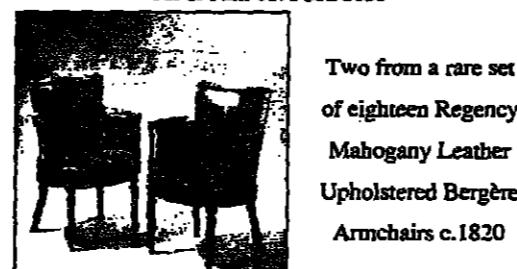


William Nicholson, *Haystack*, 1930

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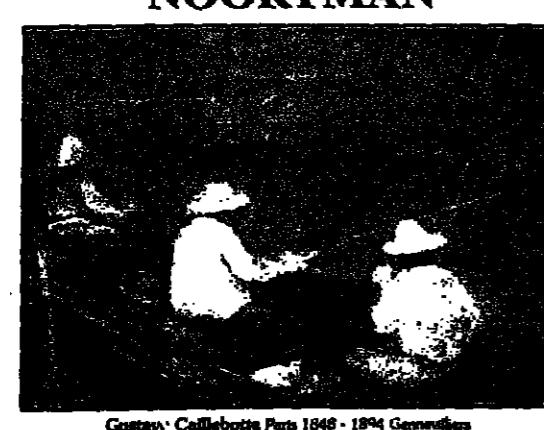
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### RICHARD GREEN



Eugène Boudin (1824 - 1898), *La baigneuse au bord de la rivière à Deauville*,  
Signed and dated 82. Panel: 97 x 137 cm/33.5 x 53.5 cm

### Impressionist Paintings

Richard Green will be exhibiting at  
The Grosvenor House Antiques Fair, stand number 59  
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## ARTS / COLLECTING



Strong and challenging: 'The Bathers' by Degas, part of Degas: Beyond Impressionism at the National Gallery

## Innovative Degas comes alive

William Packer relishes the energy and experience of a marvellous new exhibition

**W**e worry sometimes that great exhibitions pass through Europe and the US but do not come to Britain. But if the latest treat at the National Gallery is a fair indication, we need not beat our breasts too much: this choice show from the later drawings, paintings and sculpture of Degas is as beautiful and remarkable as any I could wish to see.

Although Degas is forever cast as just another impressionist, we find him in his later years, no less than Cézanne, to be as radical and bold a formal innovator as any of his near-contemporaries, from Manet to Matisse.

In the mid-1880s and turning 50, Degas was moving ever further from the cooler academic description in which he was schooled towards a graphic method that was more open, direct and personally expressive. That is not to say that his drawing – and in so many of these large pastels and canvases, the distinction between drawing

and painting becomes ever more difficult to register – is any the less accurate or disciplined, but only that he was now directing it at different ends.

For what seems more and more to concern Degas is not so much appearances, but the living, physical presence of his models: an appearance to be experienced, not merely seen. They wash and dry themselves, comb their hair, try on a hat. The dancers wait in the wings, flexing themselves in that state of tense relaxation, like the horses and jockeys he would watch down at the start. With Degas it is always the moment of expectation, preparation or causal self-regard that engages him.

While the cocking of an elbow, the turn of a wrist or ankle, the pull of the comb through the hair, are perfectly suggested, the actual statement is swift and economical, the formal mass often blurred and approximate, the contours of back or leg rubbed out, overlaid and redrawn. Here is no longer the concern of the Salon artist for the fin-

ish of the work, but a private, immediate concern for the line itself, as he tries to register and fix the ever-moving, breathing form, the bend and pull of arms and shoulders, as the model leans and twists above her bath.

His habit was to draw on semi-transparent tracing-paper, and with so many of these subject groups now brought together it is endlessly fascinating to follow him through his compositional experiments and changes of mind, wrestling with a particular image or idea through a series of closely related poses of the figure. These he would then redraw repeatedly, retracing and perhaps reversing them for use in other combinations without further reference to the model, putting particular figures together, moving them around only to take them out again.

This graphic activity is implemented throughout the entire period by his work as a sculptor, modelling his figures in wax on a small scale to serve his immediate working interest, only much later to be cast in bronze. Drawing and

maquette often take the same pose – the arabesque, the dancer stepping forward with her arms raised, the heavier seated model half turning to dry her flank. The dating is in consequence extremely uncertain, often no more precise than a 10 year span, which leaves open the questions of whether clearly related drawings and sculptures were done together or after a long interval – and which might have been used as reference for which.

My own feeling is that the pastels and paintings were usually worked up later, and the maquettes, like the charcoal drawings, were modelled direct from life. By their very liveliness of inflection in the pose and subtlety of detail they could hardly have been made up, and they confound the common art-historical supposition that, with his failing sight, Degas came more and more to work by touch alone. Their modelling, simple as it so often is, is too sure and knowing in its control, too close to an observed reality, for that.

But his sight did at last deterior-

ate, and his health fail, in the last 10 years or so before his death in 1917. So, by degrees, he ceased to work. What we are shown so clearly is that up to the point of that last decline, he was one of the greatest of artists, rather like the ageing Rembrandt and old Titian, producing work that was as strong and challenging as anything he had ever done.

One final note. The concurrent pendant exhibition at the National Gallery, 'Degas as a Collector', sponsored by GlaxoWellcome, of work by other artists that he once owned, is to be recommended. And in my review of the gallery's display of Francis Bacon's Popes, along with the great Velazquez portrait of Innocent X from the Doria Pamphilj Collection at Rome, I failed to mention that it was sponsored by Global Asset Management.

Degas – Beyond Impressionism: The National Gallery, Trafalgar Square WC2, until August 26; sponsored by GlaxoWellcome, of work by other artists that he once owned, is to be recommended. And in my review of the gallery's display of Francis Bacon's Popes, along with the great Velazquez portrait of Innocent X from the Doria Pamphilj Collection at Rome, I failed to mention that it was sponsored by Global Asset Management.

**N**o summer season in London passes without a spectacular run of commercial Oriental art shows. Ekenazi presents its 45th, this time focusing on surface embellishment and sculptural form in early Chinese art (10 Clifford Street, W1, June 11-July 13).

Rarities abound. Among them is an unusually large

## Make way for summer's Orient express

Han period bronze mirror decorated with bands of vermilion and green and lively scenes of figures in charging chariots hunting boar, and the calmer pursuit of playing a board game. Its decoration is the closest one will get to 1st cen-

tury Chinese painting.

Remarkable, too, is a Han bronze oil lamp in the form of a kneeling slave holding a lamp aloft. The slave's tunic is worn over only one arm so that the empty sleeve falls to the ground and ingeniously

provides an essential third support.

What singles this piece out, however, is its naturalism, something neither prized nor usually practised by the Chinese. Physiognomy and musculature are detailed to the point of folds in the nape of the neck.

Also from the Han period is a menagerie: a snarling gilt-bronze bear studded with cabochons of agate, turquoise and crystal; its razor-sharp teeth and claws silvered; benignly smiling leopard scroll weights are lavishly inlaid with scrolls of silver and double circles of gold. The Tang earthware entertainers clearly sport false beards. Prices: £15,000 to £200,000.

S. Marchant & Sons mark the renovation of their premises at 120 Kensington High Street, W8, with a show of

18th century Chinese imperial wares, the house specialty: 'Imperial Porcelain of Kangxi, Yongzheng and Qianlong' (June 9-25). Most of the types produced for the emperor are represented – monochromes,

dearer Barry Davies, at 1 Davies Street, W1. By acquiring neighbouring premises, the two-floor gallery has tripled its size. Ironically, the space is inaugurated by a show illustrating the development of netsuke (June 15-July 31). About 200 pieces dating from the 18th and 19th centuries come from a private German collection, the great curiosity an imaginative depiction of Julius Caesar. Contemporary netsuke are drawn from the US.

Large-scale Meiji bronzes dominate Spink's annual show of Far Eastern art, June 5-26. A pair of life-size and intricately cast figures represent Futen, god of the winds, playing a flute and Raiden, god of thunder, banging a drum.

At Jehanne de Bolley (29 Conduit Street, W1, until June

28) the emphasis is on Qing dynasty Guan wares – 18th and 19th century celadon crackle-glaze porcelain. Prices £200 to £8,000. Robert Hall presents a group of Qing porcelain snuff bottles at 156 Clifford Street, W1, June 10-28. Robert Kleiner, at 30 Old Bond Street, offers Chinese snuff-bottles and related works of art from private collections, June 18-30.

A characteristically wide

range of exhibits is on display at The Oriental Art Gallery, 4 Davies Street, W1, June 10-30. Michael Goedhuis branches out with his first exhibition of contemporary Chinese art, showing the work of 13 painters and sculptors working in mainland China, the US and Europe. Whether representing the traditional or the avant-garde, all respond to the tremendous impact of western art on modern China – 116 Mount Street, W1, June 19-July 31.

Susan Moore

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Exhibition and catalogue were made possible by support of the F. HOFFMANN-LA ROCHE LTD, Basel.

## ARTS

**C**oppélia is one of French ballet's treasures, a masterpiece of light comedy buoyed up on Delibes' sumptuous and bewitching score. At its creation in 1870, Gaudier hailed its "comic grace", and it is, in action as in melody, unfailingly graceful and light-spirited. At its heart lie two dramatic ideas: Swanilda must win her beloved Frantz's heart and show him the nature of love, while the alchemist Coppélus dreams of infusing life into his automata. These are owed, remotely enough, to a far more macabre tale by E.T.A. Hoffmann, which was sweetened and simplified for Delibes and Arthur St Léon, the choreographer, by Charles Nuitter, the librettist.

The result, as we know, is an acutely judged comic masterpiece that conceals its more serious elements under a sunny surface of peasant jollity and winning good humour. At the Paris Opéra, where it was created on the eve of the Franco-Prussian war, *Coppélia* has had a chequered existence, having been neglected, revived, restored, re-thought during the passing century. The version made for the ballet in Imperial Russia by varied but loving hands is the one we know and love best.

Coppélus is now a hand-

some widower who falls in love with Swanilda, a dancer of Degas' time, setting in her an image of his own late wife who was a ballerina. His evil genius, Spaziani, lures Swanilda to Coppélus' laboratory (filled for no good reason with automata) for unclear but doubtless unpleasant reasons, whence she is rescued by her beloved, Frantz, who has become a student of natural sciences. As the second of this staging's two acts ends, we see Swanilda and Frantz reunited in a duet, yet haunted by the memory of Coppélus.

I can find no reason to hail this production as a valid view of an old and honoured work of art. Roland Petit made a delightful and credible updating for his Marseille company some years ago, but his changes sat happily on the score, which he very properly respected.

Bart's concept typifies the current passion for supposedly "deepening" the classics by exposing or imposing themes: *Giselle* as a study in madness; *Swan Lake* as an exercise in Freudian analysis of its hero. This Coppélus substitutes spe-

rious drama for the original's clear and by no means inconsiderable tale, and, unforunately, plays merry hell with a musical jewel, recutting it so that its sparkle is lost and its shape deformed.

What merits the production shows have to do with the spunking opportunities offered by its cast, and Bart's delight in his company's skills. Dances are brilliant, and brilliantly done; there is a Nureyev-like determination that step shall crowd on step, and dazzle the eye as they dazzle the dancers' feet. And they do. The cast I

saw this week was headed by Fanny Gaida as a worldly Swanilda – a bit short on charm, I found – and Manuel Legris, who can do no wrong, as Frantz.

Ezio Toffolutti's design is handsome and Vélo Pahn drew excellent playing from the Opéra musicians. But to an old *Coppélia* hand, it was disconcerting to find Frantz zippering through a ferocious solo to the delicious music written for Dawn's solo in Act 3. There was, to coin a phrase, something wrong somewhere. There was, sad to say, something wrong everywhere. Oh dear.

*Coppélia* is on view on June 1, 2, 7, 10, 12, 13, 14 and July 15, 16, 17, 18, 19, 20 at the Palais Garnier.

**A** successful festival is more than the sum of its parts; and this is true of the still young BOC Covent Garden Festival. Covent Garden is, heaven knows, one of the buzziest parts of London, and yet each year it really is somewhat transformed by song.

Venues most of us never enter become the setting for operas, musicals, recitals, masterclasses; some cafés and restaurants become flooded by live arias; and many working Londoners wish they could take the time just to soak it all up for the two packed weeks in which it occurs.

The direction in which the BOC festival has developed most markedly this year is the musical. The Freemasons Hall, memorably the setting last year for the festival's production of *The King and I* with Irik Mukhametov, will house *Camelot* next week. And the Ambassadors Theatre, usually occupied by longer-running plays, this year is the home for a two-week production of an utterly delicious production of *Dames at Sea*.

A large part of the production's appeal in advance is that it features the histrionic American star Kim Criswell, who five years back sang so well the leading role of the West End production of that great musical, *Annie Get Your Gun*. In the event, part of the fun – part of the joke – of this production is the extent to which Criswell mucks in as part of a very fine ensemble.

*Dames at Sea* is, in certain senses of the word, thoroughly camp: i.e. it mocks what it adores at one and the same time. It is an old-style musical (actually written in the late 1960s, though this is hard to ascertain from the programme note which is regrettably short of factual information) that laughs at 1930s-type musicals even while it palpably celebrates them.

Ruby steps off the bus from Utah, nearly loses the suitcase containing her ruby tap shoes, lands a chorus job in a Broadway musical, falls in love with the sailor and budding songwriter Dick ("Where are you from?"), he asks her. "Utah." "You too!"), somehow transfers with the entire cast to Dick's ship when the show's Broadway theatre is demolished, nearly loses both Dick to the show's star Mona and her job too, but when Mona collapses in mid-show from sea-sickness – finds herself going on in Mona's role and becoming an instant star... all in one day. Only *Dames at Sea*, which lasts less than two hours with interval, has much, much more plot than that little précis.

The book and lyrics for this daffy, naughty, happy musical are by George Haimsohn and



Utterly delicious experience: John Peterson and Sara Crowe in *Dames at Sea*

## Drowned in pleasure

Alastair Macaulay on a new production of 'Dames at Sea'

Robin Miller, and the music is by Jim Wise. The score is ideal pastiche: Wise not only captures the period to perfection, but he also shows his sources as he goes along.

Though "That Mister Man of Mine" is a hit number in its own right, part of its fun is its great plus: it is the degree to which Lindsay Dolan, the choreographer, has all six members of the hard-working cast dancing with terrific flair in a variety of styles.

Two of them, Joanne Farrell as Ruby and Jason Gardiner as Dick, are obviously well accomplished hoofers as well as more than decent singers. But the most winning dancing of the show occurs in a handful of ordinary steps irresistibly delivered by John Petersen (a wonderful performer all round) as Lucky.

The wittiest dancing of all

comes from Kim Criswell in her ultra-Latino duet, "The Beguine", with Peter Duncan as Hennessy, with its blissfully and absurdly sexy little rumble-type changes of direction and tango-type twists of the head. (At this point – don't ask why – Mona/Criswell has reverted to a Hispanic previous persona, Consuelo, seducing Duncan, who is, er, the captain of the ship which she wants to use as the stage for the show.)

And he and his colleagues can laugh more forcefully at the kind of trite waltz song that was already dated in the 1950s, as in the hilarious "Echo Waltz" ("though critics may

say that to sway is passé..."). John Gardyne's production is full to the brim with pleasure major and minor. A very great plus is the degree to which Lindsay Dolan, the choreographer, has all six members of the hard-working cast dancing with terrific flair in a variety of styles.

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say that to sway is passé...").

John Petersen, the director, has

done a brilliant job with the

script, and the cast is superb.

At the Ambassadors Theatre, WC2, until June 8.

Tuesday's *You and Yours* came up with this piece of industrial archaeology positively thriving in our rush to privatisation. This, along with *Face the Facts*, *Analysis* and any number of conscience-tweaking, hard-nosed investigations, illustrates why the BBC's independence should be cherished more than ever.

The Law is an Ass Award (Pettifogging Little-Hitlerine Provincial Bureaucracy Department): to East Devon County Council. According to Tuesday's *P.M.*, they have ordered a woman to destroy the fruit of over a decade's labour in creating a pretty garden complete with fantail pigeons, since the land concerned is designated as countryside.

And yet even Crowe here, for the first time in my experience, is a winner. She has timing, she moves with wit, and she relishes the deadpan punch with which she puts across numerous lines. Ruby asks: "Was that really Mona Kent?" "Yes," replies Joan. "Every bolt and rivet of her."

In a voice flushed with triumphant emotion (rather like Paul Gambaccini introducing Pach-

At the Ambassadors Theatre, WC2, until June 8.

Celtic romances being recounted by children in impeccably middle-class English, most of which bore little trace of Cornish.

Meanwhile, the locals did

what the Cornish do best when a well-stowed vessel is sighted on the horizon and emphasised Cornish-American links.

Why, some of them have been heard to use words like "stiewalk",

cried one, misty-eyed at this

hands-across-the-Atlantic *Brudern* twixt Celt and New

World, to the exclusion of the

English.

Dear lord, where have these

people been? They only have to

switch on Radio 4 for an Ameri-

can accent or an Ameri-

can theme to assail their ears

The theme of seeing our

selves as others see us has

been this week's theme. *Brussels Goes Bananas* comes into

the category of *Lotta and the*

*Englishmen*, heard a few weeks

ago, which left me wondering

a foreign version of straight-faced comedy reporting on the

lines of *The Day Today* and other hoax-like send-ups of immortal memory.

This Belgian co-production

was fronted by two alleged

Euro-officials who sounded like

a cross between the hosts of

TV's *Eurotrash* and Peter Sellars' *Inspector Clouseau*.

A sort of "Candid Camera" of

the microphone, the programme queried members of the British public on their linguistic abilities, driving

on the right, swapping places with French counterparts for a few months (one London barbersounded distinctly nervous).

Their search for typical Britons

threw up a girl with green

hair at a "legalise marijuana"

demonstration and a Schizo's

complaining about the idiocy

of the striptease regulations

before they beat a baffled retreat.

An engaging item which

reinforces the image of Magritte's underrated homelands as the most quietly witty

country in the European Union, even though it may not

inspire Pennsylvania poets to

carry pebbles from Pepinster

or lumps of lead from Liege

close to their hearts for ever-

more.

the Unionist establishment. In

a sense you inhabit no-man's

land."

The house in *Pentecost* is a

metaphor for that strange

in-between world. Yet it is also

standing amidst the riots and

army patrols. Somehow life

goes on.

The household agrees that if

God came down to Northern

Ireland he would close every

tabernacle and church in the

province. In the place of reli-

gion would be a more perva-

asive spirituality, in which peo-

ple would have to learn to love

themselves first, and then each

other.

*Pentecost* is at the Royal

Lyceum, Edinburgh, until

today, the Beltane Arts Cen-

tre, Limerick, June 5-15, and

Andrews Lane Theatre, Dub-

lin, June 18-July 6.

## Hope and despair in no-man's land

Kieran Cooke on a powerful drama about Northern Ireland's Troubles

1974, in the darkest days of Northern Ireland's Troubles. The city is in chaos as thousands of loyalist workers mount a strike to bring down a power sharing executive, which for the first time, contained members of the Catholic nationalist community.

Five people are trapped in a house on the firing line between the city's Protestant and Catholic working class ghettos. Each is trying to come to terms not only with the mayhem around them but also with the disarray in their own lives.

Miriam, a Catholic separated from her musician husband. The men

remember their time as idealistic students, trying to prevent the outbreak of the Troubles by tipping hallucinogenic drugs into the Belfast reservoir, in the hope of rendering the city's population incapable of anything but dreaming.

One member of the household decides that weddings and funerals are very much the same in the province. "Only no one takes photos at funerals."

Each feels alienated from the outside world, which has passed Northern Ireland and its ancient problems by. The English, as clueless as ever about events in the province,

wait for reason and fair play to break out. Harold Wilson's speech at the time of the strike is played. Who do these "spongers" think they are? asks Wilson.

"The smug wee English shite, with his squeaky voice," says Ruth.

Northern Ireland is subjected to merciless abuse. It is small-minded. It is "Lilliput", the "arschole of hell". Yet at the same time the province and its problems serve as the glue which binds the household and all its differences together.

Miriam, as the central character of the play, is portrayed

with passion and verve by Eleanor Methven. Carol Scanlon captures the repression and bitterness of the ghost

**T**ime was when a chap could safely watch the start and first few laps of a grand prix, snooze through the tedium of the mid-race procession, then wake to check out the final predictable parade past the chequered flag.

That is not the jaundiced view of a veteran couch potato.

I have been bored stiff in Buenos Aires, soaked at Spa and once - memorably for a place which in spring and winter contrives to be the coldest place on earth - sun-dried at Silverstone while dancing attendance on Formula One.

Even Gerhard Berger acknowledged this month that the introduction of refuelling had been a good idea, in spite of its dangers, because TV audiences had become "understandably bored with watching endless processional races with very little overtaking". And he drives the line.

But surely, after the events so far this season, not even the most casual viewer can profess to being bored? In fact, I know this for a

## Full bore to grand prix excitement

John Griffiths is moved to agree with his mother - that the tedium has been driven out of formula one

**C**ertainty. My mother, wholly unable to tell the back end of a Benetton from a barbecue, rang after Monaco to say she had watched the whole race all the way through - as she did Germany's Nurburgring race and the preceding contest at Imola. Truly, grand prix must be on a roll.

But then, who among those who watched could ever forget the sights of Monte Carlo? World champion Michael Schumacher, who makes the average pontiff seem lacking when it comes to infallibility, ordinarily throwing his Ferrari into the wall just half a lap into the race - and an instant start.

Furthermore, his blunders came after we had all been convinced, via

### Motor Racing

**F**ull bore to grand prix excitement

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And Damon - poor, poor Damon Hill. In past seasons, the Rothmans-Williams-Renault driver has too often been his own worst enemy, too sensitive to media criticism and, partly in consequence, quick in practice but erratic in traffic and excessively prone to overtaking errors. But this year, his newly grown thick skin shrugging off the media barbs, Hill has matured.

He came to Monaco with four wins from this season's preceding

five races and on the principality's winding, crowded streets drove a textbook race. He out-dragged Schumacher into the lead; inexorably opened out a gap of many seconds even over that acknowledged wet-weather virtuoso, the volatile Frenchman Jean Alesi.

Only on a few occasions in recent seasons has a driver so clearly had a race in the bag. And on lap 41, his Renault engine had a rare but catastrophic failure, and probably the best chance the Englishman will ever have of victory in the race he has most wanted to win - which father Graham won five times - lay shattered among the engine bits.

Alesi, this year's *enfant terrible* nonpareil for his litany of collisions

**C**ards this year, Hill, whose 21-point lead over team-mate Jacques Villeneuve and 27-point advantage over Schumacher were left unchanged by Monaco, once again set the fastest time in testing at Silverstone last week.

With six races gone and 10 to go, the prospect of the title grows ever stronger - and so does Hill's determination. A trouncing by Schumacher tomorrow could yet send the whole facade crumbling. But even F1 impresario Bernie Ecclestone, not exactly one of Hill's most ardent admirers, now admits the British driver is "doing an absolutely superb job".

Add to the plot the resurgent McLaren-Mercedes, following David Coulthard's second place at Monaco, the enigma presented by Villeneuve - so quick on his Formula One debut, not quite so impressive now - and the partly guided missile factor of Jean Alesi, and the scene is set for fireworks all over again. Keep watching, mother - the pointy end is at the front. Not that you could tell from Monaco ...

### Sporting Profile

## Why the players are dancing to a different tune

Simon Hughes on David Lloyd, England's popular new coach

**T**he Texaco one-day series, just completed, was a triumph of mind over matter. India had the best batsman (Tendulkar) the best bowler (Kumble) and the best recent form. Since January, England had played nine, lost nine, against serious opposition. While India's World Cup squad was still more or less intact, England had dropped seven and some of the replacements were an unknown quantity.

Behind the scenes, the squabbling between the chairman of selectors and various disgruntled players was threatening to destroy what was already an unhappy marriage. Then, in stroke David Lloyd, former Test-batsman, perspicacious coach and professional Lancastrian, a new director with the task of quickly assembling a cast in the rehearsal rooms.

Lloyd grabbed his clapperboard, and, breathing pride and ambition, focused on the mental side. The core of his approach was a series of motivational aids - videos of great sporting moments, recordings of Churchill speeches, slogans, catchwords - to nourish that elusive commodity, confidence.

He presented new prompts which he was sure would help each player to express himself better. The results exceeded expectations. No one forgot their lines and all delivered them with a verve, even an enjoyment rarely seen on an England stage. Wearing the national costume actually meant something, rather than resembling just another outfit, and, in the end, England won the series comprehensively.

David Lloyd is a born enthusiast. He bubbles with energy in everything he does, be it coaching, after-dinner speaking or presenting TV programmes on growing your own fruit. He has a motor mouth uttering 200 words a minute in a rich, burring and banting Burnley-speak eagerly absorbed by fawning reporters ... "Aister Brown, openin' the imims, woon day internashional, own ground. Bottle! ... Then Ronnie got us goin' ... played nicely Ronnie ... when 'e walked down

them steps you could tell: like at me, it's me now, my turn. I'll 'ave a doo." Known universally as Bumble after a bouncy, children's cartoon character with a big nose, Lloyd is the England buzz.

A stylish left-hander, he progressed, after learning his cricket at Accrington CC, to opening the innings for his county and, briefly, for his country, making 214 not out against India in 1974. He also captained Lancashire before another very different Lloyd - Clive - took over. The repartee he developed during his playing days guaranteed a lucrative second career, and, when he retired, he was inundated with speaking invitations in an area of England where sporting dinners are as common as jumble sales.

**The players respond to him initially because he is on their level, with their interests at heart**

His abundance of anecdotes and quirky humour made him a popular, though only temporary, member of the first-class 'umpires' panel, and he won further exposure for his Test match commentaries on radio and television.

But while his mouth was behind the microphone, his heart always lay in the pavilion. He was loath to criticise players publicly; he had a son in the Lancashire team and hung about the Old Trafford dressing room like an adoring fan.

It was only a matter of time before he progressed from working with junior teams to becoming the county coach. Lloyd made an immediate impact. He brought in eye specialists, psychologists and fitness experts, bought baseball bats for everyone to encourage more stringent fielding work-outs and underpinned the quest for

individual improvement with an emphasis on the team ethic. "Teamwork is all," he says. "If you're under the cosh and you've got two in and they're playing well and the ball's spitting and turning and grubbing, I think it's vitally important that they can look up to the balcony and see the team watching and enjoying it." For much of last season, Lancashire played vibrant cricket, winning the Benson and Hedges Cup and finishing in the top four in the Championship and Sunday League.

Lloyd has something in common with another intended saviour of English sporting pride - Glenn Hoddle. Both are influential artists with agile minds who cannot boast a league winner's medal as either player or manager. That won't deter Lloyd. He is as happy as a sandboy roaming around grounds, filming batsmen, discussing bowlers, canvassing opinions, telling stories. Virtually every sentence begins with "I remember when ..."

He is a disciplinarian but treats cricketers as equals rather than subjects. Yet fun and enjoyment is top of Lloyd's bill. "Cricket is not funny, but you can enjoy it - must enjoy it," he says.

Nudging 50, he still embraces new concepts and demands. It was his idea to put together a sequence of each player hitting sixes or sending stumps flying set to their favourite music. So the England team emerges onto the field humming the sounds of M People's "Search for the Hero Inside yourself" and Tina Turner's "Simply the Best". The players respond to him initially because he is on their level, with their interests at heart.

The selectors meet this weekend to pick the team for the first Test. There will be some banter between Lloyd and the England captain Mike Atherton - good friends for 12 years. But there is serious work to be done, and Lloyd knows that the extension of his six-month contract hinges on England's Test performances in the coming weeks.

Released or retained, he will give the same answer he always gives to questions about cricket - "Glad to be part of it."



Football/Peter Aspden

## Game of gloriously human imponderables

**W**ith the announcement of the squads for next week's European Championship, we can get down to serious scientific analysis to judge the prospects of the 16 nations taking part. Except it is not quite as easy as that.

Football is only partly about strategy, tactical acumen, refinements of technique. The rest is down to those gloriously human imponderables - strength of character and maturity of purpose. It was surely with these in mind that the country groaned to hear of the England squad's latest escapades on their flight back from the Asia.

You can talk all you like about systems and plans, but if the mental adaptability and sophistication is not there, you might as well be talking to monkeys. England's footballers, with some notable exceptions, have never distinguished themselves in this regard. It is

as if the rigidity of British playing styles is reflected in the thinking of those asked to execute them.

And yet to his credit, England's coach Terry Venables has done his best to introduce a more refined, modern dimension to England's style. His squad has a pleasingly flexible look to it. Venables rightly believes that there is not that much difference between playing as a twin centre back and as a defensive shield in midfield: hence the presence in the squad of Sol Campbell and Gareth Southgate, who may be asked to perform either function.

It might seem like a small step, but remembering the defensive chaos of England's abject World Cup qualifying defeat in Norway under Graham Taylor, it is remarkable.

Unfortunately for Venables, England's defence has not been tested for more than two years. But the ease with which Tony Adams was outstripped in the

ludicrous encounter with a Hong Kong XI composed of Sunday beer belles and veterans was sobering.

This week will see Venables putting the final touches to the system he is widely expected to employ: a 3-1-4-1 formation which depends more than is desirable on the two Pauls, Inci and Gascoigne.

But once the first whistle of

Euro 96 gets things under way, tactics and systems take second place to the whims and caprices of players. International tournaments are traditionally dominated by the player who is most "up for it". Moments of brilliance can undermine the most meticulous planning. Think of Marco van Basten's searing volley in the 1988 European Championship final against the Soviet Union, which left the Soviet keeper Rinat Dasayev lurching drunkenly in disbelief.

Before that, Michel Platini's remarkable goals and all-round excellence in the 1984 tournament; Marian Masny's superb displays in the enthralling 1976 finals; Gunther Netzer's arrogant domination of the 1972 competition in Belgium. All were of proven pedigree at the start of their respective tournaments, and therefore marked men: yet they managed to lift their teams at the right time.

One can look closer to home to prove the same point. This

year's FA cup final between Manchester United and Liverpool was not decided by any system. True, United's sharp tackling and sound defence snuffed out anything Liverpool could throw at them; yet it just took one sweetly-struck volley to swing the game. It is the beauty - and the near-unbearable frustration - of football at the highest level.

I am sure Venables was fascinated as he watched Ajax and Juventus two of Europe's most sophisticated sides, battle out the Champions League final in Rome two weeks ago. It is easy to become enraptured by Ajax in full flow. Their fluid and fluent passing game - based on immaculate technique and concentration - can have a mesmeric effect on opposition and spectators alike.

Yet Juventus, deciding to eschew the midfield battle which they would almost certainly have lost, countered by playing with three forwards, and concentrated on supplying



All-round excellence: Michel Platini in 1984



## FOOD AND DRINK

South African wine / Jancis Robinson

## A need to learn the tricks of trade

**I**t is difficult to spend more than half an hour with a South African wine producer without hearing some reference to Australia.

Australia has only about a third as much land under vine as South Africa but exports about a third of its wine production. The comparable South African figure is well under 10 per cent. Australian wines also swim at an enviable higher price and visibility level than South Africa's and, it has to be said, are worthy of it.

One significant person

prowling around last week's London Wine Trade Fair was a Master of Wine paid by Australia's biggest wine producer to keep an eye on the competition.

One of the things that

surprised him most was how little progress South Africa

seems to have made over the

past two years, especially in

comparison with Chile, which

has been sending shivers down

Australian spines.

Do South Africa's wine producers realise just how competitive the international wine market is? Many seem to think that all they have to do is learn one or two Australian tricks and then sit back and count their export income.

Fierce, flexible, go-getting competitiveness on the international marketplace is not perhaps in the psyche of the typical South African wine producer, who may be more comfortable chewing the cud over a braai and a beer than rehearsing his sales pitch in the waiting room at Tesco in Cheshunt, Hertfordshire.

South Africans have been

coaxed to a certain extent by

the fact that there is a shortage of internationally desirable

grapes such as Chardonnay

and Merlot, so these wines

tend to sell out easily, what-

ever their intrinsic quality.

On the other hand, 70 per cent of all South African vines are either Chenin Blanc, Colom-

bard or some even less sexy

variety.

Well over half of the Stellen-

bosch wine region, South

Africa's Napa Valley, is

planted with Chenin Blanc

vines. Farmers seem reluctant

to graft over or pull out such

an obliging workhorse, no mat-

ter how difficult its produce

may be to sell.

Sterk de Wet, head wine-

maker for the all-important KWW, the semi-official export

co-operative group,

believes that there may even

be a surplus of basic wine in

South Africa towards the end

of the year. For the first time

in living memory, more than

70 per cent of the country's

entire grape crop was made

into wine in 1995 (more than

half of it went into grape juice

and grape spirit before 1994). The 180-odd winery owners (from a pool of more than 4,500 growers, most of whom sell their grapes to a co-op) are in an enviable position, however. They are the ones responsible for the great majority of all South African wines that are ever written about. But they represent such a small proportion of national wine production that they can sell everything they make twice over (and frequently do, according to some UK importers who feel South Africans have a taste for two to learn about the mores of international trading).

The key to South African wine's long term future is probably the extent to which the co-ops can be harnessed to produce something more competitive on the international market than the cheap, but often vapid, Colomard and Chenin Blanc that has been their principal contribution.

**Producers may be happier chewing the cud than rehearsing a sales pitch**

Even more unusual from any country other than Australia is the richly botrytised Stellenzicht Noble Late Harvest 1995, just £5.99 a half, also from Kleindal. Pinotage 1995 from the Rooiberg co-op in Robertson at £1.99. Safeway's more expensive Pinotage from Simonsvlei looks poor value in comparison, but this Paarl giant has somehow managed to provide Asda with a juicy Cape Red from Cinsaut, plus a little Pinotage and Grenache, that is actually quite acceptable for just £2.99 a bottle, or £10.99 per three-litre box.

Asda has a particularly good selection of South African wines, notably some gems from Stellenzicht. Its owner and winemaker are busy trying to elevate its wines from bargains to crown jewels. This may be the last time therefore we can buy such dramatically full-throttle reds as Stellenzicht Bush Vine Zinfandel 1995 (£4.99 Asda).

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The Oak Village label, applied to cherry-picked lots of wine by Master of Wine Lynne Sheriff is generally reliable, with Vintage Reserve 1994 (£23.99 Tesco, Spar, Co-op) being rounder than most South African reds at this price.

New names to look out for at higher price levels are Jacana, where Hugh Ryman has made a splendid 1995 Pinotage, Vergelegen, which is responsible for Sainsbury's best South African wines, including Sainsbury's Reserve Sauvignon Blanc 1995 (£4.45 61 stores); and Welgelegen, whose

Douelle 1992, (£7.99 Noel Young of Trumpington, Cambridge) is a particularly gentle, stylish blend of Cabernet, Merlot and Malbec.

The KWW, like everything closely allied to the old South Africa, is in a state of urgent evolution. Charged with making as many bands for its co-operative members as possible, it is now planning to sell wine to the British that comes not just from the Cape, but also from Argentina and - where else? - Australia.

Predictably, the commercially liveliest South African wine producer I met on my recent visit is also taking Chenin Blanc seriously, as witness the pungent, unoaked Fairview Chenin Blanc 1995 (£2.49 and £4.99 respectively at Thresher/Wine Rack/Bottoms Up).

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Charles Back is hip enough to be planting Viognier grapes, enterprising enough to be punching some oak-chipped

value: the geographical area of the Blue Mountains is limited and carefully defined. More importantly, the Japanese take more than 80 per cent of the total product (they also have large investments in the industry).

The Blue Mountains are a side of Jamaica that few people see: they are one of the most relaxing and charming places in the Caribbean. Immensely fertile, their camel-back ridges are cultivated up to the 4,000ft reaches of the rainforest. Most importantly, the Blue Mountains are home to a renowned coffee.

Blue Mountain coffee must be grown at an altitude of 2,000ft or above. The volcanic soil and the temperature are ideal, but some say that it is the steepness of the mountains (and therefore the quality of sun and shade) that creates the perfect geographical conditions for the beans.

The industry is growing in leaps and bounds. Hurricane Gilbert in 1988 was immensely destructive - 40 per cent of the heavy-bearing plants were killed and others faded after a couple of years because their roots had been damaged - but the Jamaicans are bullish about the industry now. There has been a huge increase in cultivation as farmers switch from more traditional crops to growing coffee.

Willie had the view from the ground. "You know, these people planting coffee by thousand upon thousands of acres," he said, "and three-quarters of the politicians in Jamaica are planting too."

When we took a break in a rum shop, the talk was all about coffee and how it is turning an excellent profit.

A man walked by with a curious double-bladed; his arms swung back and forth as he pushed his heavy barrow uphill, but he was also commencing awkwardly for a sack on his head. At the junction he handed over his hand of red and green beans, which were measured off in a wooden box of an eighth of a bushel and then poured into a wicker basket.

Willie explained that the coffee was then taken to the Mavis Bank coffee

factory. The factory sits in a cleft between steep slopes, its red-tin roofed buildings set among "barbecues", flat concrete stretches where the coffee beans are dried in the sun. I met the owner, white Jamaican Keeble Munn, 75-years-old and sharp and sprightly. His family has been in the coffee business since before he was born.

He thinks of the beans as sensitive and delicate: "If I put a woman with a lot of perfume in a room with my coffee, then it will come out tasting of the perfume, but not the other way round. Coffee must be treated with great care."

The maintenance of standards falls to the Coffee Industry Board in Kingston, which is widely reckoned to do a good job. There are a few "pot-roasters" in the Blue Mountain area who dry their beans by the roadside - picturesque, but not good for flavour - and who tend to over-roast (which turns the beans a shiny, darker brown by bringing the oils to the surface).

The CIB advises people not to buy from them, and does not permit them to export under the Blue Mountain label.

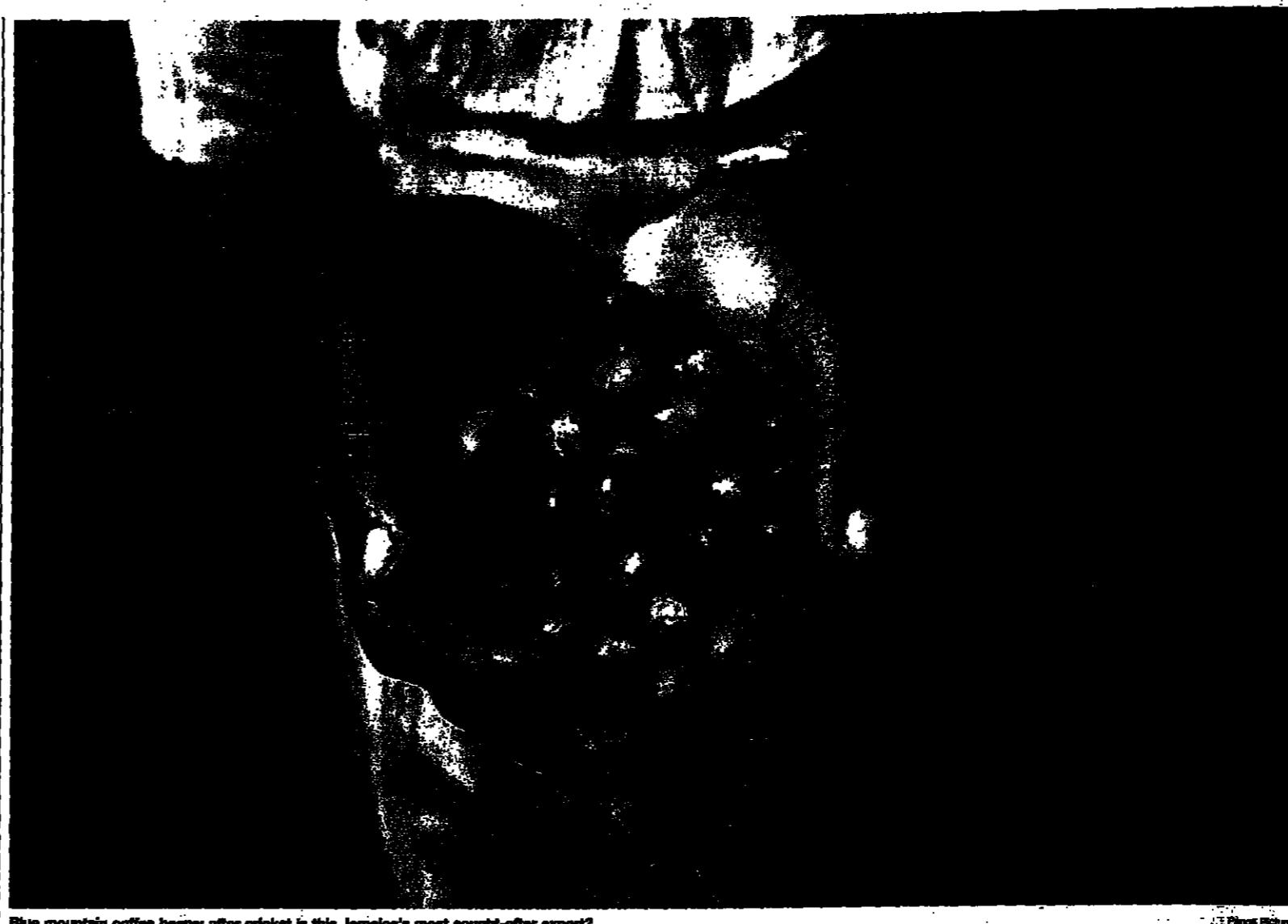
Export of Blue Mountain coffee has been growing by between 15 and 20 per cent for four years and output is set to increase as more cultivators get into the game.

There is still a mystery as to how Blue Mountain manages to command such high prices on the international market. Most of the UK coffee importers view it with good-humoured bemusement and marvel quietly (it is highly profitable), but they acknowledge the extremely fine product and then wish the Jamaicans luck with it.

I brought home a bag of roasted beans from Jamaica (where you buy at a bargain price of course) and set about making some.

According to Giles Hilton, Blue Mountain is not supposed to be a strong coffee: it is medium roast and mellow. This certainly held out in my own experience.

Blue Mountain has an excellent, smooth and sweet taste in the mouth and a very pleasant after-taste. An extremely satisfying cup of coffee.



Blue mountain coffee beans: after cricket is this Jamaica's most sought-after export?

## Beans means Jamaica

James Henderson finds out what makes Blue Mountain coffee so special

**T**he Blue Mountains in Jamaica rise steeply behind the city of Kingston. In just a short drive the uncomfortable humid humdrum and bustle of the capital evaporates.

The Blue Mountains are a side of Jamaica that few people see: they are one of the most relaxing and charming places in the Caribbean. Immensely fertile, their camel-back ridges are cultivated up to the 4,000ft reaches of the rainforest. Most importantly, the Blue Mountains are home to a renowned coffee.

My walking companion was Willie, a tall man of about 50, whose brown, felt-like dreadlocks were collected in a bunch at the back of his neck. He presented himself as an organic farmer. As we walked, the conversation ranged over ground provisions and market life, and then as we passed through steep fields of bushes with shiny, crinkled, dark green leaves, it turned to coffee.

Willie spoke in an unusually low voice, with the lyrical and laconic speech so typical of the Jamaicans. "Well, you know, many people say dat Jamaica Blue Mountain coffee de best coffee in the world."

It is not only Willie and the rest of Jamaica that assures you so. At Whitelocks of Chelsea, London, coffee buyer Giles Hilton agrees that Jamaican Blue Mountain is one of the world's finest.

Willie had the view from the ground. "You know, these people planting coffee by thousand upon thousands of acres," he said, "and three-quarters of the politicians in Jamaica are planting too."

When we took a break in a rum shop, the talk was all about coffee and how it is turning an excellent profit.

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The maintenance of standards falls to the Coffee Industry Board in Kingston, which is widely reckoned to do a good job. There are a few "pot-roasters" in the Blue Mountain area who dry their beans by the roadside - picturesque, but not good for flavour.

Some roasting takes place at Mavis Bank. The green beans are cooked to a dark tan, cooled quickly and then ground.

Keeble Munn speaks with obvious enthusiasm about a lifetime's work

handling coffee. "Rusting," he says, "is some mystic thing we don't understand, but the flavour is definitely improved by it."

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### Eating out / Nicholas Lander

## The Paris bistro war

**I**have always found it difficult to walk past a Paris bistro. I am attracted by their location - perhaps overlooking a tree-lined boulevard - as much as by what they serve. I am attracted by their names, whether the intimate Chez Pauline or the more philosophical Café de la Paix, and by their pedigree, such as La Poterie aux Halles, which goes back to the turn of the century.

Today, it is even more difficult to stroll past because of the large blackboards proclaiming cut-throat prices on offer. Paris bistro are on the decline.

Most worryingly, there is the growing challenge from *les fast food*, typified by McDonald's 42 branches in Paris alone. But the short-term jolt to business has come from the general strike last December and their effect on what even Parisians are prepared to spend in bistros.

The strike ruined trade in December and January and, although it has improved, its resurgence depends on ultra-low pricing.

Faced with empty tables five months ago, restaurateur Mark Williamson cut the price of his lunch and dinner menus at Williamson's Wine Bar (tel: 42 61 06 09) to FF140 (£17.78) and FF180 respectively. More conspicuously he added at the bottom of the menu: "Tout song Le Pardon" - everything included (ie, three courses, service and a glass of wine for FF37).

A wait for our table allowed me to appreciate the menu's value. It offered six first

courses, seven main dishes, one cheese - a Brie in excellent condition - and six desserts.

Expensive ingredients, such as *foie gras* and fresh tuna were used creatively, the former in a salad, the latter as thin pan-fried slices on top of finely diced onions, olives and anchovies. Cheaper cuts are used as effectively. Venison, an expensive meat, was

## INTERNATIONAL ARTS GUIDE

## What's on in the principal cities

## ■ AMSTERDAM

## AUCTION

Sotheby's Amsterdam Tel: 31-20-5502200  
 ● Modern and Contemporary Art: highlight of this sale is Carel Willink's "Trafaiger Square". Also featured are two other paintings by Willink, a collection of works by Kees Verwey, and Karel Appel's large-scale painting "Paysage Humaine" (1959); 10.30am, 2pm & 7.30pm; Jun 4

## CONCERT

Concertgebouw Tel: 31-20-5730573  
 ● Nederlands Philharmonisch Orkest: with conductor Marcello Viotti and pianist Eliane Rodrigues perform works by Ravel and Berlioz; 6.15pm; Jun 1, 2 (2.15pm); 3, 5

## EXHIBITION

Museum het Rembrandthuis Tel: 31-20-5249486  
 ● The Old Testament in Dutch 16th and 17th-Century Print Making. Rembrandt, his Predecessors and Pupils: religious scenes constitute an important part of Dutch 16th and 17th-century imagery. Especially dramatic events from the Old Testament, like The Fall, Abraham's Sacrifice, Susanna and the Elders, were popular subjects for artists. The exhibition shows the drama of the Old Testament through the eyes of artists such as Rembrandt, Goltzius, Lucas van Leyden and Maerten van Heemskerk; to Jun 2

## OPERA

Het Muziektheater Tel: 31-20-5518117  
 ● Otelio: by Verdi. Conducted by Riccardo Chailly and performed by De Nederlandse Opera and the Koninklijk Concertgebouworkest. Soloists include Vladimir Bogachov, Timothy Noble, Charlotte Margolin and Vicente Ombra; 7.30pm; Jun 4  
 Koninklijk Theater Carré Tel: 31-20-6226177  
 ● A King, Riding: by de Vries. Conducted by Reinbert de Leeuw and performed by the Schoenberg Ensemble and the Asko Ensemble. Soloists include Derek Lee Ragin, Lisa Saffer and Christopher Gillett. Part of the Holland Festival 1996; 8pm; Jun 2, 3, 4

## ■ BARCELONA

EXHIBITION  
 Fundació la Caixa Tel: 34-3-4588907  
 ● Photography and Society in Franco's Spain. The Sources of Memory II: exhibition of more than 200 photographs reflecting Spanish life from the end of the Civil War until the death of General Franco. The works come from archives of Spanish and foreign cultural institutions, private collections and various photographers' personal archives; to Jun 9

## ■ BASEL

EXHIBITION  
 Kunstmuseum Basel Tel: 41-61-2710228  
 ● Canto d'Amore. Klassizistische Moderne in Musik und bildender Kunst 1914-1935: exhibition focusing on classicist modernism in music and visual arts. The display features more than 100 paintings, drawings and sculptures from international museum and private collections, as well as musical scores from the collection of the Paul Sacher Foundation. The show includes works by Picasso, Matisse, De Chirico, Dali, Bonnard, Matisse and Léger; to Aug 11

## ■ BERGEN

FESTIVAL  
 Bergen International Festival, Norway Tel: 47-55-312170  
 ● Bergen International Festival: this festival was founded in 1953 and has since then focused on presenting prominent Norwegian and international artists in the field of music, ballet, opera, theatre, folklore and other arts. Central festival theme is the music of Edvard Grieg; to Jun 2

## ■ BERLIN

CONCERT  
 Deutsche Oper Berlin Tel: 49-30-3438401  
 ● Galina Gorchakova: accompanied by pianist Larissa Gergieva. The soprano performs songs by Glinka, Dargomyzhsky, Balakirev, Rimsky-Korsakov, Tchaikovsky and Rachmaninov; 8pm; Jun 4  
 Konzerthaus Tel: 49-30-203090  
 ● Orchester der Deutschen Oper Berlin: with conductor Maxim Shostakovich and cellist Mischa Maisky perform works by R. Schumann and Shostakovich; 8pm; Jun 5  
 Philharmonie & Kammermusiksaal Tel: 49-30-2614383  
 ● Berliner Philharmonisches Orchester: with conductor James Levine perform works by J.S. Bach, Takemitsu, Debussy and Mendelssohn; 8pm; Jun 5, 6, 7

## ■ BONN

OPERA  
 Oper der Stadt Bonn Tel: 49-228-7281  
 ● Hänsel und Gretel: by Humperdinck. Conducted by Shuji Okatsu and performed by the Oper der Stadt Bonn. Soloists include D. Bronowski, I. Bartz, A. Hoffmann and R. Ingle; 8pm; Jun 5

## ■ BOSTON

EXHIBITION  
 Museum of Fine Arts Tel: 1-617-267-9300  
 ● Lithography's First Half Century:



Part of 'Girls Taking a Walk in La Gran Via, Madrid' by Catalina Roca, from a Barcelona exhibition of Photography and Society in Franco's Spain

The Age of Goya and Delacroix: in celebration of the 200th anniversary of the invention of lithography by Bavarian actor and playwright Alois Senefelder, the exhibition examines lithographs by artists such as Delacroix and Goya. Works by lesser known artists and prominent artists not usually associated with the medium are also displayed; to Jul 7

## ■ CANBERRA

EXHIBITION  
 National Gallery of Australia Tel: 61-2-240-6411

● Roy Lichtenstein: Prints: exhibition of prints by the American Pop-artist Roy Lichtenstein, drawn from the museum's collection. Included in the exhibition is Lichtenstein's only illustrated book, "La nouvelle chute de l'Amérique" (The new fall of America), which was acquired by the National Gallery of Australia late last year; to Jul 21

## ■ COLOGNE

## CONCERT

Kölner Philharmonie Tel: 49-221-2040820

● Camerata Academica Salzburg: with conductor Sándor Végh perform Schubert's Symphony No.5 in B major and Symphony No.8 in C major; 8pm; Jun 2

## ■ FLORENCE

## OPERA

Opernhaus Tel: 49-221-2218240

● Seme: by Handel. Conducted by Graeme Jenkins and performed by the Oper Köln. Soloists include Kristine Clasinski, Robert Haywood and Sally Burgess; 8pm; Jun 5

## ■ FRANKFURT AM MAIN

## CONCERT

Alte Oper Tel: 49-69-1340400

● Blood on the Floor: by Mark-Anthony Turnage. Conducted by Peter Rundell and performed by the Ensemble Modern. Soloists include electric guitarist John Scofield, drummer Peter Erskine and saxophonist Martin Robertson; 8pm; Jun 5  
 Jahrhunderthalle Hoechst Tel: 49-69-3601240  
 ● Wagner's RING an einem Abend: narrator Loriot (Vicco von Bülow), and soloists and orchestra of the Nationaltheater Mannheim with conductor Juri Mäki in a programme featuring highlights of Wagner's opera cycle Der Ring des Nibelungen; 5pm; Jun 2

## ■ HAMBURG

## CONCERT

Musikhalle Hamburg Tel: 39-40-346920

● Murray Perahia: the pianist performs works by Scarlatti, Handel, Mendelssohn, J.S. Bach and R. Schumann; 7.30pm; Jun 5

## ■ HOUSTON

## EXHIBITION

Museum of Fine Arts Tel: 1-713-639-7300

● Jackson Pollock: Works on Paper: exhibition of 34 drawings created between 1939 and 1958 by Jackson Pollock, one of the leaders of Abstract Expressionism. All of the works come from the Pollock estate, and the majority are sketchbook or working drawings that provide insight into Pollock's development in this period. They were executed during the time he was in Jungian analysis and represent a visual diary of his dreams, insights, and visions; to Jun 30

## ■ LONDON

## EXHIBITION

Tate Gallery Tel: 44-171-8878000

● Still But Not Silent: this exhibition brings together still life paintings and sculptures from the Tate Gallery's collection by both British and foreign artists. The works range in date from the late 17th century to the present, and reveal the persistent attraction for artists of this form of art; to Jul 14  
 Victoria & Albert Museum Tel: 44-171-9388500

## ■ MUNICH

## CONCERT

Philharmonie im Gasteig Tel: 49-89-48098625

● Münchner Philharmoniker: with conductor Sergiu Celibidache and pianist Dan Girore perform works by Schubert, Beethoven and Mozart; 8pm; Jun 3, 4

## EXHIBITION

Haus der Kunst Tel: 49-89-211270  
 ● Loris Corinth 1858-1925: Retrospective: retrospective exhibition devoted to Loris Corinth, one of the leaders of German Impressionism. The display includes nearly 150 paintings, approximately 60 drawings and watercolours, as well as a selection of prints. After the showing in Munich the exhibition will travel to Berlin, Saint Louis and London; to Jul 21

## OPERA

Nationaltheater Tel: 49-89-21851920

● La Bohème: by Puccini. Conducted by Mark Elder and performed by the Bayerische Staatsoper. Soloists include Angela Gheorghiu, Julie Kaufmann, Mario Malagnini and Rodney Gilfry; 7.30pm; Jun 5

## ■ NEW YORK

## AUCTION

Sotheby's Tel: 1-212-606-7000  
 ● Important Works of Art and Jewelry from the Collection of Lilian Nassau, Ltd.: sale of items from the collection of Lilian Nassau, dealer and collector of Art Nouveau and Art Deco. The collection on sale features 50 pieces of Art Nouveau jewellery, rings, purses, hair combs and objects acquired by Mrs Nassau during the 1960s and 1970s in both the United States and France, including works by René Lalique, Louis Comfort Tiffany, Edouard Colonna, Georges Fouquet, Alphonse Mucha and Lucien Gallard; 10.15am; Jun 5

## ■ VIENNA

## CONCERT

Sommer Hall Tel: 81-3-35751001

● Tokyo Philharmonic Orchestra: with conductor Fabio Luisi perform excerpts from Madama Butterfly and other operas by Puccini. Soloists include soprano Maria Guleghina, tenor Peter Dvorsky and baritone Sherman Milnes. Part of the Puccini Festival; 7pm; Jun 3

## ■ VIENNA

## CONCERT

Konzerthaus Tel: 43-1-7121211

● ORF-Symphonieorchester: with conductor Peter Eötvös perform works by Kurtág, Bartók and Brahms. Schoenberg; 7.30pm; Jun 3

## Musikverein Tel: 43-1-5058681

● Emma Kirkby and Anthony Rooley: the soprano and lutenist perform works by Locke, Purcell, Humphrey and Blow; 7.30pm; Jun 3

## ■ VIENNA

## CONCERT

Avery Fisher Hall Tel: 1-212-875-5030

● Brooklyn Philharmonic: with conductor Dennis Russell Davies and the NY Choral Society perform Beethoven's Symphony No.9 and R. Schumann's Mass in C minor; 8pm; Jun 2

## EXHIBITION

Kunstforum der Bank Austria Tel: 43-1-5320644

● Drawing in Austria 1908 to 1938. From Schiele to Wotruba: exhibition of some 130 works on paper by 58 Austrian artists, including Gustav Klimt, Egon Schiele, Oskar Kokoschka, Alfred Kubin, Max Oppenheimer, Herbert Boeckl, Albert Paris Gütersloh, Max Weber and Fritz Wotruba; from Jun 5 to Aug 4

## OPERA

Wiener Staatsoper Tel: 43-1-51442960

● Jerusalem: by Verdi. Conducted by Zubin Mehta and performed by the Wiener Staatsoper. Soloists include José Carreras, Elton Coelho and Samuel Ramey; 8pm; Jun 2

## ■ WASHINGTON

## EXHIBITION

National Gallery of Art Tel: 1-202-7374215

● Jan Steen Painter and Storyteller: this exhibition of approximately forty-five paintings by Jan Steen examines the range of subjects and styles in this Dutch artist's body of work. There has been no major exhibition of Steen's work since the retrospective at the Mauritshuis in The Hague in 1958; to Aug 18

● The Robert and Jane Meyerhoff Collection: 1945 to 1995: exhibition of some 190 works from this private collection of post-World War II art. The greatest strength of the Meyerhoff Collection lies in its concentration of works by Jasper Johns, Ellsworth Kelly, Roy Lichtenstein, Robert Rauschenberg and Frank Stella; to Jul 21

■ WASHINGTON

## EXHIBITION

National Portrait Gallery Tel: 1-202-374215

● Albrecht Dürer. Oeuvre gravé: exhibition of woodcuts and engravings by Albrecht Dürer (1471-1528) from the museum's collection, which encompasses the near totality of Dürer's graphic oeuvre. The display includes 122 woodcuts and 102 engravings; to Jul 21

## FESTIVAL

Festival de Musique Francaise - Musique en Sorbonne Tel: 33-1-42

● Festival de Musique en Sorbonne: annual classical music festival taking place at the Sorbonne University in Paris. This year the festival is devoted to the Spanish composer Manuel de Falla, on the occasion of his death 50 years ago; from Jun 4 to Jun 25

## ■ PARIS

## EXHIBITION

Centre Georges Pompidou Tel: 33-1-42-12-33

● Picabia 1922: this exhibition is a reconstruction of the exhibition organized by Francis Picabia in 1922 in the Galerie Dalmat in Barcelona. The display shows some 30 works, including gouaches and watercolours; to Jul 1

## MUSÉE DU PETIT PALAIS

Tel: 33-1-42-12-32

● Albrecht Dürer. Oeuvre gravé: exhibition of woodcuts and engravings by Albrecht Dürer (1471-1528) from the museum's collection, which encompasses the near totality of Dürer's graphic oeuvre. The display includes 122 woodcuts and 102 engravings; to Jul 21

## EXHIBITION

Musée National des Palais

Tel: 33-1-42-00-12-33

● Masterpieces from the Carmen Thyssen-Bornemisza Collection: this exhibition features a selection of about 90 works from the Baroness's private collection. The display includes works by artists such as Toulouse-Lautrec, Monet, Sisley, William Bradford, Maurice Prendergast, Manuel Cabral and Raimundo de Madrazo; to Sep 8

## EXHIBITION

Musée National des Palais

Tel: 33-1-42-00-12-34

● Nuevas Abstracciones: this exhibition of approximately 60 paintings by 29 international artists focuses on new forms of abstraction in the post-modern period. The artists represented include Ross Bleckner, Peter Halley, Gerhard Richter, Sean Scully and Philip Taaffe. After the showing in Madrid, the exhibition will travel to Bielefeld and Barcelona; to Jun 23

## ■ ROME

## CONCERT

Accademia Nazionale di Santa Cecilia Tel: 33-6-3611064

● Orchestra dell'Accademia di Santa Cecilia: with conductor Michael Schoenwands and the Coro di Voci Bianche dell'Acram perform works by Mozart; 8pm; Jun 3



James Morgan

## Stolen handbag upstages the king

Is the IMF a force for republicanism? Bulgaria's ex-King Simeon could be forgiven for thinking so

I expect you, like me, have been fascinated by the series on Europe's monarchies which has been appearing on this page. By definition, the non-monarchs are excluded but they could provide a worthy sequel.

So it is worth studying the return of ex-King Simeon last weekend for a lengthy visit to his homeland, Bulgaria. After reading about the Netherlands and Belgium, Sweden and Spain, one can only view European monarchies as a wholly positive force. It is right that Bulgaria should join some of the most civilised states in the new Europe.

But not all Bulgarians agree. *Duma*, the leftist daily, trailed Simeon's arrival thus: "Three lost wars with about a million victims,

two national catastrophes, a coup d'état in blood and dozens of hundreds executed... this is what Bulgaria got from the 60-year rule of a dynasty in whose veins there was not one drop of Bulgarian blood."

As luck would have it, Simeon and his Spanish consort, Margarita, arrived in Sofia in the middle of an economic maelstrom. A collapsed currency, the main interest rate at 100 per cent, long queues outside bakeries.

The papers greeted the royal arrivals with headlines like "a circus without bread". And so the media were dominated not by Simeon, but by Anne McGuirk who arrived a couple of weeks before Simeon to lead the international

Monetary Fund mission to Bulgaria. The official news management was such that every time it seemed that Simeon was going to attract favourable public attention, up popped McGuirk. Thus her promise of loans "in principle" was Monday's main news story when it should have been Simeon's tour of Sofia.

Is the IMF a force for republicanism? One wonders. The announcement of the details of the royal visit on May 13 was not as interesting as the tale of the theft of McGuirk's handbag at a lunch with officials of the central bank at what the papers called "the posh Krim restaurant". The police said a waiter was suspected.

The theft of an IMF handbag is an unusual event, especially when it occurs right under the noses of central bank staff. McGuirk lost about \$700. Not enough to stave off Bulgaria's crisis but *Demokratisches* wrote: "Senior financiers hope the incident will not change Ms McGuirk's intentions." In the end the country was provisionally promised \$400m.

Simeon, meanwhile, had to make speeches about the crisis without seeming to act as an agent of the Fund or in opposition to it. So he spoke of the need for all Bulgarians to pull together.

*Demokratisches* said that officials had been told to create "an information blackout and chaos". Thus the ex-king's arrival provided only the 10th item in the national radio

news bulletin. In *Trud*, a leftist paper, a leader of the anti-monarchist socialist party allowed crocodile tears to flood the page: "Hundreds of those who came to welcome the ex-king, injured, the bleeding faces of two of our reporters, smashed glasses in the VIP lounge, a child hit by a jeep in front of the *Pliska* hotel - these are the sad results of the King's welcome party yesterday."

The authorities even mounted a campaign to produce a new national coat of arms, without a crown, by the time the ex-king arrived.

Blagovest Sendov, the speaker of the National Assembly, summed up the failure of the project: "I have said on many occasions that Bulgaria will soon have a coat of arms, and I was wrong."

Simeon and his consort seem to have behaved with dignity in the face of some provocation (as when his official bodyguard beat up a supporter), even accepting an icon of St George the Victorious and a blouse embroidered in the national colours with good grace.

But the royal cause has not so far been greatly enhanced by the visit. Although many Bulgarians see the ex-king as a saviour, comparing him favourably with the politicians who have brought the country so low, the Fund set on the throne.

It will be interesting to see if he fares better now it has departed.

■ James Morgan is BBC World Service economics correspondent

Peter Aspden  
How to  
make  
'em  
pay



Somebody with a wicked sense of irony is directing things up there. England is hosting something called Euro 96 at the very time that decent patriots everywhere are fuming with indignation that Europe will not eat our beef.

The BBC, in conciliatory mood, chooses Beethoven's sublime "Ode to Joy" - a hymn of European brotherhood - to advertise its coverage of the football festivities. But the tabloid press turns on the BBC because Beethoven is German. And Germany just happens to be better than England at football as well as sublime music.

The nation, in truculent mood and girding its loins for battle, chooses its greatest ever sports star in a television poll. Among the contenders are a cricketer known, slyly, as Beety, and a floppy 10-year-old who was so steeped in sporting genius that he had to turn to that great British hobby - becoming comatoses through drink - in order to cope with his sybaritic life. They both lose to a strapping decathlete who liked to celebrate victory by parading offensive T-shirts to the media.

Meanwhile, cows graze innocently in the fields, bedecked with advertising billboards, in the kind of audacious mid-career change that busy executives dream about long and hard.

The robust interchanges that characterise British political life

They can run rings around our footballers, but can they resist the chance to see their own masterpieces?

have given way to a mild surrealism as bull semen, murderous Land Rover drivers and formula baby milk swap places on the front pages. And what of Europe and its morally decadent inhabitants? What are they up to?

They are all in London, of course. I popped into the National Gallery at the weekend to get away from all the madness, only to find it swarming uncomfortably with Europeans. A hubristic fellow in uniform was counting them all in. He informed me neutrally that the gallery received up to 10,000 visitors a day, and most of them were "foreign".

Most annoying of all, I reminded him, they all entered for free. So, allowing for even a modest entrance fee, perhaps \$50,000 a day is lost to the Exchequer so that Europeans and others can have a slightly cheaper holiday looking at our art (which, of course, is largely their art, but Britain has it now and is sick at looking after it).

You do not have to be bovine to find it exasperating.

So I worked out a plan which might just win John Major a vote or two, pay for a new lick of paint for a few national monuments and tell those *ouvre-Marche* rogues where to go shortly before they walk away with the competition which England is so generously hosting.

It is quite simple: during the course of Euro 96, institute a sliding scale of charges for admission to the National Gallery. British people, naturally, could get in for nothing.

Then, taking the rest of the world in turn, highest charges of all would be paid by Pacific Rimmers (an economic miracle supplement), then Americans (dominant world culture supplement) and then finally Europeans. And this is where it becomes interesting.

I would charge all EU citizens a sum proportional to the number of works of art their country has in the gallery - the more works, the higher the fee. This would hit the Italians quite hard, but they have a good chance of winning Euro 96 so would probably not mind.

The French would suffer too, and the Spanish, but since when did we worry unduly about that? The Danes and the Irish would not complain too much. But Denmark have few chances of progressing to the final, and Ireland didn't even qualify.

The delicious point of all this is to hit Europeans where it hurts - their culture. They can turn down our beef, run rings around our footballers, but can they resist the chance to see their own masterpieces? Trapped by their own vanity and sense of aesthetic superiority. What could be more apt?

And I also have a word for the BBC and that troublesome theme tune. How about something wholly British, coming from that dizzy period in the 1960s when we really were rather special? It must take us back, yet propel us forward. It has to give out the right message. It needs to sum up everything we feel about ourselves. How about that nice Beatles tune - "Help"?

## Royalty

# Just a job - but like no other

Christian Tyler  
explains why  
Norwegians love  
their king

Two weeks ago, as every year on National Day, half of Norway was on the march. With brass bands blaring and schoolchildren in folk costume skipping beside them, thousands of people paraded up Oslo's central avenue to the Slottet palace to sing the national anthem and wave to the royal family on the balcony.

Norwegians seem as possessively fond of King Harald V, as they were of his father Olav, the man who used to boast that he was protected by "four million security guards".

Yet, as in the other European monarchies, the royal succession can be a trying time. "Many people thought there would be a change of attitude," said one of Harald's former private secretaries who was surprised by the enthusiasm which greeted Harald's accession in January 1991. "There was a tremendous response. The monarchy proved much stronger than you would expect in a secular, republican country."

Harald, 59, is only the third king Norway has been able to call its own since 1319. Perhaps for this reason the country clings to its monarch as the symbol of full independence achieved only in 1905 when it forced the dissolution of the union with Sweden. He is a reminder, too, of his grandfather's brave - if hopeless - resistance to German occupation during the second world war. King Haakon VII had rallied an unprepared and defeatist government before being forced to escape with his son, Olav, and his minister to London, where he continued to encourage his countrymen with broadcasts over the BBC. Young Harald, his mother and two sisters, took ship to the US and sheltered in the White House.

"The institution is a paradox and an anachronism," agreed Kjell Arne Totland, former academic, student of insignia and "royal reporter" of the gossip magazine. See and Hear. "But it still has a function. I look on it as a symbol of the unity of the nation, its personification. Royalty represents a continuity that a president could never have."

By their own admission, Norwegians - especially outside Oslo - are a conservative nation, while claiming to be more classless even than their Swedish neighbours. Small-country nationalism may account for their enthusiasm for the Eurovision song contest which they hosted last month having won the trophy last year; it may also explain their sensitivity to foreign opinion, not to mention their referendum decision in 1984 to stay out of the European Union.

Conservatism may account for the fact that the Norwegian king remains, like the British queen, "defender of the faith", in his case the Lutheran state religion, and



King Harald V: only the third king Norway has been able to call its own

why until 1990 women were not eligible to succeed to the throne.

The monarch has been allowed to retain powers to delay legislation by veto (a power never used) and to form governments. The latter has been democratically exercised.

When the socialists, who two years before had been members of the Comintern, emerged from the 1928 general election with the biggest vote, Haakon surprised everyone by asking their leader to form a government. "I am also king of the communists," he is supposed to have said.

Communists or commoners, it does not matter. The fact that Harald's queen, Sonja, (confusingly born Haraldsen) is not of blue blood but the daughter of a textile merchant has been a good influence by helping the king to mix with ordi-

nary people, according to Fritjof Frank Gundersen, an MP of the small, right-wing Progress party.

Harald has impressed others with his everyday knowledge. "When I first met him I was amazed by his knowledge of agriculture," said Edward Grimstad, deputy speaker of the Norwegian parliament and a farmer himself. "What impresses me is their personal involvement. Other people say the same."

The king shows his common touch in other ways. Recently, for example, he invited to the palace a member of a quaint organisation called the Loser's Club which cares for people who have missed their education or fallen through the social net. The club was started by a successful sports reporter who lost his job for giving the wrong result of a football match because

he felt sorry for the losing team.

The royal train is little more than one coach and a kitchenette, and was a "gift" of the state railways, the royal yacht, which is substantial, was a gift of the people. The royal family flies on commercial airlines and the children, Crown Prince Haakon, 22, and his elder sister Princess Martha Louise, 24, are able to go shopping in Oslo with only a couple of bodyguards.

Republicans have made threatening noises in the past but are silent today as in every other European monarchy. Deputy Speaker Grimstad said: "Every four years the royalists propose a republic. But it's a sort of ceremony."

The upshot is that an inquisitive press is careful not to intrude unduly - so far, at least. "The main reason we are not nasty to our royalists is that there is nothing to be nasty about," said Totland. Even if there were something to hide, Norwegians did not want to hear ill of their king, according to a reporter on another paper: "People here don't tell the papers if they see members of the family, or try to sell pictures of them. And we don't want to hide in the bushes, either."

So Haakon was allowed to go off for weekends with his former girlfriend, an "upper-class" model, without being chased. And his sister's affairs with an Olympic surfer, with an English showbusiness (which led to Martha Louise being cited in a divorce case) and latterly with a Dutch night porter and stable boy, caused little stir.

What did cause a stir, was when Martha Louise, while studying in the Netherlands, went for a bicycle

ride with a friend and without an escort, and was snappish by a Dutch photographer. Furious, she gave him the finger. But it was more the photographer's intrusion which scandalised Norwegian readers when the picture was reproduced in *See and Hear*, Britain's Princess Royal, would have sympathised.

Like royal-watchers in other constitutional monarchies, the Norwegian press argues that the fact of hereditary succession justifies its interest. And, like their own counterparts elsewhere, the young Norwegian royals seem to be feeling the heat. Last week, at the end of a press conference to announce the royal children's plans to study abroad, Prince Haakon made an ad hoc speech berating the press for its surveillance. What one side sees as well-intentioned interest - and positive publicity - the other feels to be a suffocating burden.

"If the Press make their life unbearable, sooner or later they will destroy any relationships formed by the young people in the family," said Carl-Erik Grimstad, a former palace official. He noted that journalists had held their fire during Harald and Sonja's courtship before their marriage in 1981. But the truce was now over, he said, and the media had become too competitive to accept another.

Grimstad has not given up the charge of intrusion himself. In some eyes he broke a taboo by writing a book drawing on his own experience as Sonja's private secretary and later as deputy private secretary to the king. Called *Behind the Façade* and subtitled "The history of the royal way of being", Grimstad claims his book is a work of political science, not a fly-on-the-wall exposé.

But will the heirs want to take it on? Last weekend it was reported in Britain that young Prince William, son of Charles and Diana, had told his parents he never wants to be king. He wants a "normal life".

If Grimstad is right, all European

heirs have their work cut out. For whatever the "royal product" means, their dilemma is the same. They have to be in touch with their people, but not too close. They have to be distant, but not aloof. They have to be ordinary, but they can never lead a normal life. It is not that kind of job.

*This is the last of the Royalty series*

## Fruitless in Los Angeles

Christopher Parkes experiences life as an expatriate gardener



The critters, our neighbour warned, would soon poison off our little vegetable patch. She failed only to howl soon. Two dozen bell pepper plants - purple, green, yellow, orange and red - failed to survive the night. Bitter Japanese cucumbers succumbed, trampled, to the ravages of nocturnal raiders. Radishes vanished.

Curiously, only our Indian corn and a staggeringly cluster of serrano chillies - 15 on a scale of one to 10 in hotness - stand as a testament to our husbandry.

It is one of our itinerant family's traditions that we stamp our identity on our foreign lodgings with garden work. It is a tradition which may not survive southern California, where the phrase "late bloomers" has taken on new meaning.

This expatriate's annuals, planted a month ago, include ex-

petunias and sunburnt snapdragons. Even the geraniums are giving up the ghost. Only the impatiens and the children's neglected potted lobelias are doing well in a child-made microclimate which swings wildly between drought and downpours from the garden hose.

On failing, it appears, is a lack of "Gardener's Ear". Sure, we should have listened to our neighbour. But we should also have heeded the endless scuttling, scrabbling and merry munchings from the undergrowth. We might have learnt from the splashes on the two occasions the raccoons depopulated the goldfish tub.

The fish were our attempt to provide quarantine-free pets for the children. They now have to make do with the critters.

The snail in the kitchen and the cicadas which have moved in behind the living room sofa are the least of it.

We have rats in the garden: big, black items with Disney-esque ears, and Hammer Films tails. We have gophers. God alone knows what they eat, but it must be buried deep to judge by the showers of grit and dust. Gopher snakes slither about, failing to live up to their name, apparently preferring mice.

At the cuddly end of the pest scale there are cottontail rabbits which sniff at our gifts of lettuce and prefer grazing on the ubiquitous ground-cover ivy.

Possums, we think, spend balmy evenings up the eucalyptus and ficus trees peeling off the bark like crackling and snacking on the bugs beneath. They also enjoy snuffing around in the house.

Squirrels commute along the overhead telephone and power cables to feast on fir cones and the seeds and blossoms of the jacaranda trees. Humming birds probe fruitlessly at the red rose on our

least of it.

Our corn and chillies should be fruiting soon. The children still believe they will be grilling cobs and making salsa for daddy. But daddy knows better.

JPV 10/6

## WEEKEND INVESTOR

## ■ Results due next week

Company	Sector	Announcement	Last year Interim	Dividend (p)	This year Interim
GENERAL DIVIDENDS					
Si Group	Int'l	Thursday	2.80	4.40	3.10
Hegarty Farnham Group	Int'l	Thursday	1.70	3.70	1.70
Alled Colloids Group	Chem	Tuesday	0.55	2.05	0.55
American International	Int'l	Thursday	4.90	12.10	4.90
Ascor Hedges	SPDR	Tuesday	-	-	-
Asian Group	Spdr	Tuesday	1.00	2.10	1.20
Body Corp	Int'l	Thursday	5.35	11.65	5.70
Capital Group	Spdr	Tuesday	1.20	2.40	1.30
Caldecott	Spdr	Thursday	1.05	2.20	1.31
Cliff Security	Spdr	Thursday	2.22	5.00	2.60
Cleveland Text	Prop	Monday	2.40	3.30	2.45
Cohen PI & Co.	Eig	Friday	-	7.30	8.00
Culver's Hedges	Retd	Thursday	-	0.60	-
Devonport, Diversified	Text	Thursday	-	9.00	-
De La Rue	PPGP	Tuesday	7.00	16.00	7.25
Denmark Enterprise	Int'l	Friday	-	-	-
EMAP	Med	Tuesday	2.50	7.25	3.70
European Colour	Chem	Thursday	0.57	1.12	0.75
Falcons Inv Trs	Int'l	Tuesday	-	-	-
Garment Shared Equity Trs	Int'l	Tuesday	2.40	4.40	2.40
Hendre Insurance Services	Offs	Monday	1.85	3.70	1.85
Independent Ports Group	Int'l	Monday	-	2.80	2.00
National Grid Group	Gas	Tuesday	-	-	-
Northern Securities Co.	Int'l	Wednesday	1.50	4.50	2.00
Northern Ireland Econ	Gas	Wednesday	3.80	9.50	5.00
Optic International	Eig	Wednesday	0.75	1.00	0.75
Orme & Robinson	Retd	Wednesday	-	-	-
Orsted Instruments	Food	Thursday	1.70	4.00	1.90
Park Food Group	Retd	Wednesday	1.00	1.85	1.10
Pilkington	Eig	Thursday	1.50	2.75	1.75
Peter Cludham	Prop	Thursday	-	-	-
Powell Duffryn	Drts	Wednesday	6.00	12.00	8.00
Reinsurance International	Eng	Wednesday	2.20	5.80	2.80
RIT Capital Partners	Int'l	Tuesday	-	1.50	-
Real Electronics	EMSE	Wednesday	1.75	3.25	2.10
Robert Wrenn	RHPI	Tuesday	0.90	1.85	1.00
Sparks & McEwan Group	Spdr	Wednesday	1.10	2.20	1.20
South Staffs Water	Eig	Thursday	4.03	8.07	4.44
St. James's Place, Capital	Offs	Monday	19.00	49.00	23.00
TLS	ESR	Tuesday	-	2.60	1.40
Thames Water	Wtr	Tuesday	8.20	17.10	9.20
UNESCO	Eng	Thursday	1.00	1.75	1.25
Vodafone Group	Tel	Tuesday	1.84	1.70	1.97
Watson's	SSC	Monday	1.50	3.00	1.50
Whitbread	Drts	Monday	1.50	2.75	1.75
Yorkshire Water	Wtr	Wednesday	8.30	19.30	8.10
INTERESTED DIVIDENDS					
Alpha Metals	Eng	Thursday	1.30	2.80	-
Colgate Group	Eng	Tuesday	2.75	5.25	-
Derby Group	Retd	Thursday	1.15	2.30	-
Europcar	Eng	Tuesday	0.75	1.55	-
Exeland Brewery	Spdr	Wednesday	0.80	-	-
Fairbairn European Smr	PPGP	Thursday	0.04	0.77	-
Greaves Group +	Offs	Thursday	2.10	4.70	-
H&T & Smith Hedges	Gas	Tuesday	2.25	4.40	-
Leeds Group	Drts	Wednesday	2.50	5.00	-
Lockers	Drts	Tuesday	1.25	2.25	-
MEPC	Prop	Tuesday	5.25	14.75	-
New Zealand Inv Trs	Int'l	Wednesday	1.25	2.25	-
Self Industrial Hedges	Drts	Tuesday	0.80	-	-
Sherriff Hedges	PPGP	Tuesday	2.25	4.75	-
Stobart	Wtr	Monday	0.75	-	-
United Drug +	Wtr	Wednesday	0.25	0.65	-
Ventnor	Ches	Monday	-	-	-
Washington (Uk)	PPGP	Wednesday	2.00	4.00	-
Warren Estate Hedges	Prop	Wednesday	3.65	7.50	-

Dividends are shown net per share and are adjusted for any intervening scrip issues. Reports and accounts are not normally available until about six weeks after the board meeting to approve preliminary results.  $\pm$  1st quarter,  $\pm$  2nd quarter,  $\pm$  3rd quarter,  $\pm$  Yearly dividend,  $\pm$  Irish pounds and pence.

## ■ Directors' share transactions in their own companies

Company	Sector	Shares	Value (£'000)	No. of directors
SALES	Macmillan-Glenlivet	Alt	200,000	340,000
Heddon Group	Drts	50,842	133,816	1
Druck Hides	Drts	90,000	215,000	1
Pressac	EMSE	253,288	15,025	3
Haden Macmillan	Eng	25,000	48,000	1
L. Gardner	Eng	30,000	65,100	1
Severfield	Eng	30,000	65,100	1
Web Group	Eng	12,000	26,760	1
Christies	LAH	5,000	24,350	1
Minwell Holdings	LAH	2,500,000	62,500	2
Schroders	MBk	5,124	85,023	14
RM	Nse	570,000	2,707,500	3
Enterprise Oil	One	7,144	33,078	2
Intermediate Coll Gr	One	375,000	1,265,250	1
Red Earth Ties	Retd	20,000	20,000	2
JB	Retd	32,500	245,028	1
Mooreps	SSR	5,000	11,000	1
Dowmills Group	TBA	750,000	1,927,000	2
Clydeport	Tran	500,000	848,000	1
Southern Vectis	Und	227,273	150,000	1
Lake Lohm	BCo	20,000	60,000	11
Pressac	EMSE	76,007	180,093	1
Haden Macmillan	Eng	57,293	55,147	1
Enterprise Oil	One	19,616	80,822	1
Body Shop Int	Retd	265,115	479,007	1
Maria & Sciences	Retd	40,000	180,000	1
Cable & Wireless	Tel	184,564	845,395	1
Forth Ports	Tran	69,000	435,078	1
Kent-Fit Hedges	Dist	1,158,780	2,607,255	1
PURCHASES				
Inchcape	Dist	5,000	14,600	1
ASTEC (BSR)	EMSE	25,000	34,250	1
TI Group	Em	7,400	38,824	1
Trinity Care	Nth	8,500	14,450	1
Guardian Royal Equit	Insur	4,000	10,820	1
Emerging Markets Coun	Inv	46,795	24,051	1
INVECO Eng & Int'l	Inv	8,200	11,036	1
Games Workshop	LAH	15,000	65,150	1
Quercus-Hawthorn Hedges	LAH	2,072,785	62,155,000	1
Recal Hotel Grp	LAH	26,666	26,886	1
Hotel Hotel Grp	LAH	80,686	50,000	295
Tak-Cine Cell	Media	40,000	22,400	2
Ferguson Int	PPGP	1,275	2,950	1
Burton Group	Retd	30,000	45,400	3
Calder Group	SSR	5,000	11,650	1
Delphi Group	SSR	2,500	12,125	1
Sleevahane	SSR	40,000	30,000	1

Companies must notify Stock Exchange within five working days of share transactions by directors. The list contains all transactions listed and US\$1,000. Inc. value of options ( $\pm$  100,000),  $\pm$  100,000,  $\pm$  100,000. Share value over £10,000. Investment Standard.  $\pm$  100,000. Share value over £10,000. Investment Standard. Share ordinary, unless stated.  $\pm$  A Non-Voting.  $\pm$  Convertible preference shares.  $\pm$  Take-up of open offer.

Source: The Inside Track, Edinburgh, 0131-638 7070

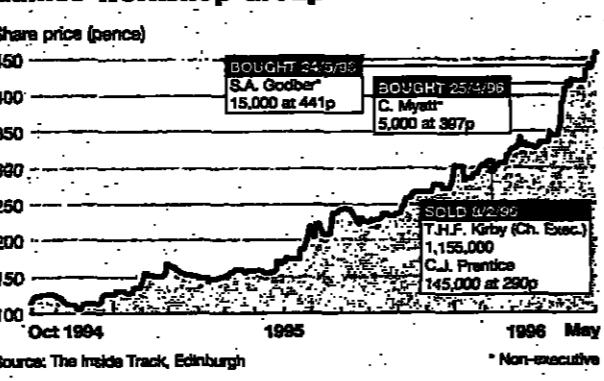
## Directors' dealings

There was more buying at Games Workshop Group, which makes toys and war games, writes Vivien MacDonnell of *The Inside Track*. Non-executive director Stephan Godber purchased 15,000 shares at 44p. Another non-executive director, Christopher Myatt, bought 5,000 in April. Denis Cassidy, chairman of printing, paper & packaging

company Ferguson International, bought 20,000 shares at 235p. Recently, it reported a £1.1m loss for 1995-96.

Julian Paul and James Rowsell, respectively non-executive chairman and a non-executive director of media group Tele-Cine Cine, bought 40,000 shares between them at 55p. The group has not performed well on the market lately.

## Games Workshop Group



Source: The Inside Track, Edinburgh

\*Non-executive

\*\*Offer for sale, placing & introductions

†Offer for sale, placing & introductions

‡Offer for sale, placing & introductions

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# Weekend Investor

Wall Street

## Home buyers turn logic on its head

Mortgage rates are going up – but so are house sales, reports Maggie Urry

**W**hy are Americans buying houses? Or, rather, why was taken by surprise this week when two sets of figures showed home sales were continuing to rise in spite of the upturn in mortgage rates?

To a simple economist, it is the price of something should cause a fall in demand. Mortgage rates, which in the US track long-dated bond yields, have risen from 7 to 8 per cent since the start of the year. Many had expected that the rising price of a home loan would dampen demand for houses.

Not a bit of it. On Tuesday, the National Association of Realtors reported that sales of existing houses in April were running at an annual rate of 4.22m. That is the highest level since December 1993 and is up nearly 13.5 per cent from the rate in January this year. The figures are seasonally adjusted, so they make allowances for the 'no-one-buys-a-house-in-January' effect.

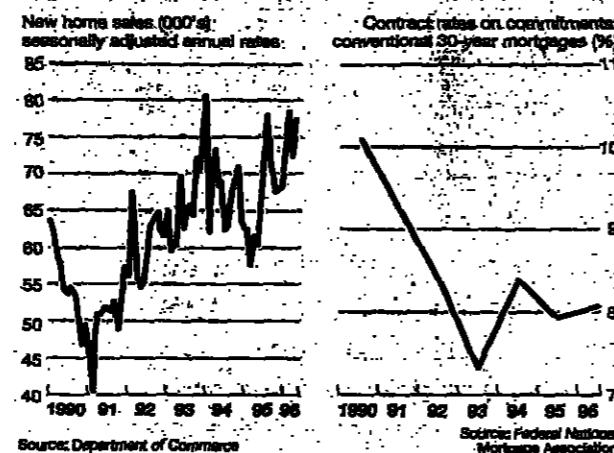
Thursday brought news from the government that sales of newly built houses also were buoyant in April, and running at an annual rate of 76,000. The monthly sales rate has exceeded 700,000 for four months in a row, the first time that has happened since the end of 1993. As well as the strong April number, the figures for February and March were revised upwards.

"Housing indicators continue to surprise on the upside," said the economists at Deutsche Morgan Grenfell/C.J. Lawrence in their snap assessment of the figures. According to Marilyn Schaja, economist at Donaldson Lufkin & Jenrette, the number was "extremely significant, as it indicates prevailing high mortgage interest rates are not yet damaging this most interest rate sensitive sector of the economy".

The bond market, in particular, disliked the news, but that spilled over into falling share prices, too. After all, rising interest rates were supposed to choke off demand and slow down the economy. The faster the economy grows, the less happy is the bond market. To bond investors, growth means inflation – and that leads to yet higher interest rates and lower bond prices.

So, rising house sales are bad news for the markets. It is made worse by people having the annoying habit of following

### Surprises all round for housing market



Source: Department of Commerce

### Contracts on commitments: conventional 30-year mortgages (%)

Source: Federal National Mortgage Association

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Source: Federal National Mortgage Association

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 An open ended investment indicated and these notes are not a profit or loss in U.S. dollars.  
 A note for all holding expenses.  
 A certain older insurance linked plans subject to  
 gains on an asset.  
 Note for all assets. The regulatory authorities  
 are the:  
 - **Bank of Ireland Authority**  
 - **Prudential Control Commission**  
 - **Central Bank of Ireland**  
 - **Financial Supervision Commission**  
 - **Prudential Services Department**  
 - **Irish Institute of Mortgages Lenders Association**  
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 All prices on these pages are also available on  
 the website of [www.tfs.ie](http://www.tfs.ie)

## WORLD STOCK MARKETS

## INDICES

## INDEX FUTURES

	Open	Sett. Price	Change	High	Low	Est. vol.	Open Int.
CAC-40	(200 x Index)						
May	2114.0	2117.1	+8.1	2124.0	2110.0	15,876	9,171
June	2033.5	2089.0	+1.5	2102.0	2087.0	18,700	51,324

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## US INDICES

Dow Jones	May 30	May 29	May 28	1996	Stock compilation
				High	Low
Industrial	3689.41	3573.93	3708.67	5778.89	5032.94
				(225) (101)	5778.00 (5773.92)
Home Goods	101.59	101.54	101.89	106.29	101.19
				(142) (95)	106.27 (101.03) (101.07)
Transport	2236.84	2256.11	2262.53	2282.30	2182.71
				(225) (101)	2282.28 (2255.92) (2255.92)
Utilities	211.85	211.50	212.34	234.00	205.42
				(72) (75)	234.00 (314.53) (314.52)
DJ Ind. Day's High	5734.41	(5743.65)	Low 5205.07	(5202.45)	(Theoretical)
Day's High	5715.58	(5717.05)	Low 3844.23	(3645.36)	(Actual)
Standard & Poor's Composite	571.70	567.93	572.23	670.71	596.48
				(245) (101)	670.51 (670.50) (670.52)
Industrial	800.85	794.85	801.10	807.32	702.07
				(245) (101)	807.32 (805.88) (805.88)
Financial	87.07	86.72	87.11	88.05	82.97
				(83) (101)	88.05 (87.04) (87.04)
NYSE Comp.	350.24	358.44	360.52	380.74	321.41
				(245) (101)	380.74 (380.74) (380.74)
Other Mid Val	608.41	607.27	610.77	614.88	528.05
				(245) (101)	614.88 (612.98) (612.98)
AMCO Corp	1233.48	1225.83	1236.33	1240.05	988.97
				(245) (101)	1240.05 (1235.98) (1235.98)
<b>PER RATIOS</b>					
Dow Jones Ind. Div. Yield			May 24	May 17	May 10
			2.15	2.17	2.20
			May 23	May 22	May 15
S & P Ind. Div. Yield			1.65	1.63	1.66
S & P Ind. P/E ratio			22.38	22.71	21.86
<b>THE NEW YORK ACTIVE STOCKS</b>			Year ago	Year ago	Year ago
Thursday	Stocks traded	Close price on day	May 24	May 17	May 10
			2.15	2.17	2.20
			May 23	May 22	May 15
S & P Ind. Div. Yield			1.65	1.63	1.66
S & P Ind. P/E ratio			22.38	22.71	21.86
<b>IN TRADING ACTIVITY</b>			Year ago	Year ago	Year ago
● Volume (million)			May 30	May 29	May 26
			New York SE	384.153	347.784
			Amer	22.225	22.582
			NASDAQ	925.526	851.192
			NYSE		598.722
			Stocks Traded	3,160	3,158
			Rates	1,355	834
			Fees	879	1,522
			Unchanged	225	302
			New Highs	53	53
			New Lows	23	26
					31

### **SOUTH AFRICA (May 31 / Rand)**

## WORLD STOCK MARKETS

## AMERICA

## Leaders fall as 30-year yield tops 7%

## Wall Street

Leading US stocks tumbled in mid-session trading as the yield on the benchmark 30-year Treasury bond, which closed above the 7 per cent level, writes *Lisa Branstetter* in New York. Technology shares, in contrast, moved higher following a strong performance from some industry leaders.

The Dow Jones Industrial Average was more than 56 points lower just after 11 am when the yield on the long bond first moved through 7 per cent, partly due to speculation that the Federal Reserve might raise interest rates this summer. The Dow's fall triggered the "upick" rule, which restricts some program selling.

Equities waxed and waned

with bonds throughout the rest of the morning. By 1 pm the long bond yield had moved down to 6.996 per cent, and the Dow was off 44.71 at 5,649.71. The Standard & Poor's 500 fell 3.27 at 668.43, while the Nasdaq Composite added 0.41 at 609.84. Volume on the NYSE came to 203m shares.

Cyclical shares, which stand to be hurt disproportionately by an increase in interest rates, underperformed other sectors.

The Nasdaq composite managed to post a gain of 5.84 at 1,239.12, led by a 4 per cent increase in Intel, the world's leading manufacturer of silicon chips, and the second biggest company listed on the Nasdaq, Intel's gain followed a meeting for analysts held on Thursday in

New York and brought the company's shares to \$75. Merrill Lynch, the New York investment bank, raised its intermediate-term rating of the shares to "buy" from "neutral", but left its long term rating at "buy".

Microsoft, the biggest company on the Nasdaq in terms of market capitalisation, added 3% at \$1,182. Other Nasdaq technology issues posting strong gains included America Online, up 2% at \$66.4, Applied Materials, 5% at \$24.99, and 3i, up 3% at \$37. Intuit, which climbed 3% at \$82.4, and Sun Microsystems, which rose 2% at \$82.5.

Elsewhere, Variety jumped 3% or 7 per cent to \$49 on news that it would merge with Lucas Industries of the UK.

Both Lucent Technologies of

the US and Nokia of Finland moved higher on rumours that Lucent might make a takeover bid, or form an alliance with Nokia. Lucent was up 1.1% or 4 per cent at \$38 and American depository shares of Nokia added 3% at \$44.1%.

## Canada

Toronto was mixed in spite of the fall on Wall Street, with strong conglomerates and gold shares giving it a foundation. The TSE 300 composite was up 4.53 at 5,229.91 at midday, and the precious metals index was running over a percentage point higher in mid-session.

Volume was 50.5m shares. In golds Sikamen led, up C\$0.015 at 1.7m shares. But its bigger brethren moved a lot more turnover: TVX Gold

traded in 932,925 shares as it rose 25 cents to C\$12.45, and Place Dome in 510,186 as it put up 50 cents to C\$4.0.

## Latin America

MEXICO CITY moved slightly lower in line with Wall Street. By mid-session the IPC index was at 20,34 at 3,240.32. In SAO PAULO the equity market was resisting the US trend, with the Bovespa index up 306 at 57,184 by noon. BUENOS AIRES was weaker as investors searched for direction amid a lack of domestic corporate news. The Merval index was up 5.62 at 558.17 by mid-day. Profit-taking following recent strength continued in CARACAS where the IBC index was down 34.38 at 4,442.60 by late afternoon.

## EUROPE

## Domestic investors focus on M-Dax in May

Another panic attack for US treasuries, the Dow and the dollar made its impact on late-closing bourses. FRANKFURT ending with the Dax index 11.97 lower at 2,523.81 after a session close of 2,542.80.

Turnover fell from DM7.2bn to DM6.5bn. At the session close said Mr Eckhard Frahm at Merck Finck in Düsseldorf, the Dax 30 was showing a 1.4 per cent gain on the month compared with 5 per cent for the M-Dax, which covers the next 70 shares in the Dax 100 index. The rise of the medium-capitalisation stocks, he said, was in distinct contrast with performance in the first five months as a whole, when the 30 was up 12.8, and the M-Dax by 7.5 per cent.

This, he said, reflected the influence of domestic investors, keen on foreign institutions to date on names like Wella, Deppa Bank and Fresenius. There was another sea change within the 30 itself where, in May alone, the best performances came from consumer and technology stocks, with Kaufhof and Henkel peers up 12.7 and 9.3 per cent, followed by SAP peers and Veba with gains of 5.0, and 4.9 per cent respectively.

PARIS was pressured by the expiry of May futures contracts

as well as by Wall Street and the CAC 40 index lost much of an early gain as it closed up 1.8 at 2,110.06.

The automotive sector gained following the merger between Lucas of the UK and Variety of the US, on expectations that further consolidation in the sector was imminent. Valeo, which has fielded merger rumours for some time, added FFr15 to FFr28.50, and Bertrand Faure advanced FFr3.70 to FFr38.20.

There was speculation that Faure might be about to announce an alliance with a Canadian supplier, Magna International.

Credit Commercial de France put on FFr3.20 to FFr24.9 as rumours persisted that HSBC, the Hong Kong banking group, might be preparing to launch a takeover bid.

Since the end of last week CCF's stock has gained 5.5 per cent as the rumours began to circulate; but many analysts yesterday dismissed the market talk as "pure speculation".

Christian Dior lost FFr18 to FFr730 after a cautious forecast for 1996, but Docks de France gained another FFr9.15 per cent, to FFr205.50, and by FFr1.76 on takeover speculation.

MILAN saw profit-taking in Eni, the energy group, which fell L170 to L17.30. The Mibet index rose 4 to 10,851 while the Comit index eased 0.55 to 688.59. Turnover was L715bn.

Gemina, the financial services and holding company, respectively rising to SKR15.05, and SKR15.50 to SKR17.50 as the Affärsvärlden General index closed 12.6 higher at 1,970.2.

COPENHAGEN saw another sharp drop at the cleaning company, ISS, DKR16 lower at DKR115 after a 20 per cent drop on Thursday, when it reported accounting regularities in its US unit which could cost it

HELSINKI soared on a rumour that Nokia might be taken over by the US telecoms group Lucent. Nokia A and the Hext index both hit new 1995 highs, rising by FIM13.0 to 6.8 per cent, to FIM205.50, and by 46.17, or 2.3 per cent, to 61,150.41.

The two companies declined comment but an analyst at Kleinwort Benson said that the story seemed to be extremely speculative.

STOCKHOLM thanked Ericsson and Astra, the Baa and As respectively rising by SKR3 to SKR15.05, and SKR15.50 to SKR17.50 as the Affärsvärlden General index closed 12.6 higher at 1,970.2.

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INDUSTRIALS moved forward while golds came under pressure as bullion moved to the \$390 an ounce level overnight and showed little strength during the session. The overall index gained 6.62 to 6,818.5, industrials rose 101.9 to 7,985.8 and gold was down 10.8 at 2,012.1. Among individual issues Anglo gained B2 to R222, SAB made R4.50 to R132.72 and Sasol was 10 cents higher at R43.30.

## Amsterdam's bull run may be about to slow

David Brown on a surprising Dutch performance

At the start of this year, Amsterdam's investment community was convinced that the bourse was set, at best, to deliver an unremarkable performance. In late December, ABN-Amro Hoare Govett, the Dutch bank's stockbroking subsidiary, said that the AEX index was set for an anaemic shuffle through the year. With remarkable luck, it might move from its December position in the mid-480's to reach the 515 mark by mid-year, they forecast. The market punched through 515 just eight weeks later.

Contrary to all published expectations, Amsterdam has since been stampeding from one all-time high to the next. By the close of business on Friday, the AEX had reached 570.09, a gain on the year to date of 19.5 per cent. Nevertheless, some analysts are suggesting that the bull may finally have lost its breath. It has certainly had a good run. Among the strongest performers so far have been technology sector stocks, where average prices rose by almost 40 per cent in the first quarter. Indeed, Baan, an information technology group, has emerged with a higher market total capitalisation (F1.6bn) than that of more traditional blue-chip listings like KLM (F1.5bn) and DSM (F1.5bn).

Shares in food retailing, year-on-year, have climbed by over 61 per cent, while insurance companies are ahead by over 52 per cent. The average p/e ratio, which climbed gradually from 6 in 1986 to 10 last year, has powered ahead to over 13 in the five months of 1996. The market as a whole, according to a study published last week by CS First Boston, has by far outperformed France (up 11.7 per cent) and Germany (up 16.6 per cent), and has expanded at three times the overall European average over the past year. Volume has also soared, up by 120 per cent during the first quarter, compared with the same period.

Nevertheless, they suggest that a degree of caution might now be in order, not least because of pressure on interest rates and the possibility of a correction on Wall Street. Kempen & Co has a year-end target for the AEX of 565. Morgan Stanley looking at a target of 570, and Mr Sirk's view is that the AEX may well slip down to 530-540 by the years end. There is a growing interest in cyclical stocks.

Several factors have driven the market. To begin with, companies are generally well-managed and have high-quality assets. However, thickly swaddled in both formal and informal anti-takeover defences, they were undervalued in relation to competitors abroad. After a decade of deep restructuring, and amid a quickening hunt for shareholder value, the smaller and medium-sized groups in particular are in strong position to generate better returns.

Dutch industry has taken advantage of low inflation to reshape its balance sheet, strip out assets with low returns, and buy into money-spinning fields," says Mr Gerard Sirk of Deutsche Morgan Grenfell. "The return on capital employed is substantially higher than in the surrounding

countries."

Meanwhile, a good deal of

customarily risk-averse Dutch institutional liquidity has launched a strategic migration away from traditional fixed-income investments towards stock. Mr Richard Davidson, Morgan Stanley's European strategist, notes that institutional investors and especially pension funds are increasing, in some cases planning to double, their equity holdings.

Then there are the economic fundamentals, with GDP growth, consumer confidence, and spending still outpacing that of most core European countries.

The relative strength of the dollar has also been a spur to growth, since almost half of Dutch earnings are dollar denominated. Even stripping away the effect of dollar-priced

commodities, the AEX has still outperformed the S&P 500 by 10 per cent.

But having defied the sceptics to date, Amsterdam may still have a few selective surprises in store.

## ASIA PACIFIC

## New investment fund buying lifts Nikkei

## Tokyo

Nine new investment trust funds worth Y347bn bought into the market and the Nikkei average closed marginally higher, writes *Enrico Terenzio* in Tokyo.

The 225 index rose 69.84 to 21,956.19, briefly breaching the 22,000 level the 22,000 level at a day's high of 22,051.75, against a low of 21,887.16.

Volume remained flat at 40m shares. The Topix index of all first section stocks rose 7.16 to 1,680.57 and the Nikkei 300 gained 1.64 to 310.84. Advances led declines by 53 to 514 with 155 unchanged.

In London, the ISE/Nikkei 50 index was up 2.45 at 1,465.50.

Thursday's Wall Street rally in high technology stocks encouraged buying of the sector, which had faced selling over the past few days on fears of falling semiconductor demand. Hitachi Rose Y11 to Y1,000, Fujitsu Y5 to Y880 and Kyocera Y100 to Y7,400.

In steel and shipbuilders, Kobe Steel Rose Y3 to Y283 and Kawasaki Heavy Industries Y11 to Y565. But oil-related

shares of Pudong companies, boosted by local media reports that the city government had decided to move major exchanges and finance institutions to the Lujiazui finance and trade district of the Pudong New Area. The B share index rose 0.44 to 46.98.

SEOUL put on a technical rebound, but brokers said that sentiment was still depressed by huge margin accounts and economic worries.

The composite stock index ended 4.48 higher at 903.04 with Samsung Electronics up Wons 900 to a limit-high Wons 900 with a gain of 100.

IN OSAKA, the OSE average rose 59.00 to 23,14.88 in volume of 26.6m shares.

SHANGHAI saw a gain of 0.11

and the Hang Seng index of 100 stocks rose 1.22 to 1,365.72, as the Shanghai Composite index rose 0.44 to 1,365.72.

Stocks were lower on a decline in crude oil prices, Showa Shell Sekiyu falling Y10 to Y1,140, and Tonen Y10 to Y1,600.

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ROUNDUP

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## LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at the 24 hours up to 6 p.m. on Thursday and set through the Stock Exchange Telfax system, that is not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the relevant date.

† Bargains at special prices. ‡ Bargains done the previous day.

## British Funds, etc

Treasury 15 1/2% Sh 200000 - £121.02

## Corporation and County Stocks

Bristol City of 11 1/2% Red Sh 2000 - £174.95

## UK Public Boards

Post Office 4% Sh 500000 - £404.50

Post of London 4% Sh 500000 - £392.40

Scottish Govt Sec 13% Deb Sh 7659 - £104.12

## Foreign Stocks, Bonds, etc (coupons payable in London)

Hungary (Rep of) 11 1/2% Sh 500000 - £105.80

Latvia (Rep of) 10 1/2% Sh 500000 - £105.50

Austria National Savings Capital PLC 5% Ord Sh 2000000 - £100.00

Austria National Savings Capital PLC 5% Ord Sh 10000000 - £39.00

Denmark (Rep of) 5% Sh 2000000 - £39.00

Norway (Rep of) 5% Sh 5000000 - £39.00

New South Wales Treasury Corp 4% Sh 10000000 - £102.00

Quebec (Rep of) 5% Sh 5000000 - £102.00







Deal creates world's second-largest brakes maker

## Lucas and Varity launch plans for £3.2bn merger

By Tim Burt in London

Lucas Industries, the UK automotive and aerospace equipment group, yesterday announced a £2.2bn (\$4.86bn) merger with Varity Corporation of the US to create the world's second-largest brakes manufacturer.

The two components suppliers, which have been discussing a merger since March, have decided to form LucasVarity, a company employing more than 56,000 and boasting combined sales of \$4.4bn.

Sir Brian Pearce, chairman of Lucas, said the deal would create one of the top 10 automotive suppliers in the world, producing brakes, diesel engines and fuel systems, vehicle electronics and avionics.

The Lucas chairman will retain his role within the enlarged group. Mr Victor Rice, chairman of Varity, will become chief executive. Mr George Simpson, the

current Lucas chief executive, is leaving to succeed Lord Weinstock at GEC.

Most industry observers welcomed the deal, in which Lucas shareholders will receive 62 per cent of the enlarged share capital, and Varity shareholders 38 per cent.

Most played down the prospect of a hostile bid emerging, although both Siemens and Mannesmann of Germany have been mooted as potential bidders.

Mr Rice predicted that the two companies supplying customers such as Vauxhall, General Motors and Ford - would achieve £50m in annual cost savings through increased purchasing power, operating efficiencies and by extending Lucas's existing braking alliance with Sumitomo of Japan.

Sir Brian, meanwhile, ruled out large-scale redundancies and hinted instead that new orders would soak up excess capacity at LucasVarity plants. He said the

new company had no plans to sell Lucas's aerospace division, adding that it enjoyed some of the highest margins at the company and was counter-cyclical to the automotive industry.

Under the merger terms, shares in the new group will be distributed to Lucas shareholders on a one-for-one basis. Varity shareholders will receive £38 American depositary receipts - baskets of shares denominated in dollars - for every share of Varity capital stock.

Following the merger, due to be completed in September, the enlarged group will be quoted and have its headquarters in London, while retaining a New York listing.

Lucas shares rose 14p to 245p, while Varity rose 3p to 94p in late trading.

Brake could yet be put on marriage, Page 7  
London stocks, Page 21  
See Lex

## France Télévision head quits over public criticism

By Andrew Jack in Paris

The head of France Télévision, controller of the country's two public broadcasting networks, resigned yesterday after growing public criticism of his management approach.

Mr Jean-Pierre Elkabbach announced his decision to quit after 27 years during a hastily summoned press conference at which he fiercely defended his strategy for the group.

"I have decided to go," he said at the end of a 15-minute prepared statement, during which he justified his policies. He has been criticised for using independent production companies and for popular programming.

Mr Elkabbach said he was resigning to ensure that the strategy he had launched, and his staff, would not be undermined. He stressed that since taking control, the group had raised its viewing figures, the quality of programming and profits.

He then left for a board meeting of France Télévision, while members of the CSA, the state audio-visual regulator which is responsible for choosing a successor, met to discuss the consequences of his action.

Mr Elkabbach's decision follows a month of attacks linked to growing discontent with the way he has run the France 2 and France 3 stations, and notably the "animator-producer" system of paying large sums to independent production companies run by show hosts.

The CSA had told him of its dissatisfaction with the system at a hearing last month, and he was scheduled to appear before the regulator again next week to explain modifications he planned to make to improve the management of such contracts in future.

France Télévision - and notably France 2 - has long come under attack by some for its increasing use of talk shows and other populist programmes, part of an approach to raise audiences and increase advertising revenue, on which it has become increasingly reliant.

The debate intensified in the past few months following publication of a parliamentary report showing the large sums paid to outside contractors. This triggered anger from staff at France 2, who were given what they claimed were far more modest salaries and budgets.

In April, Mr Elkabbach made public his decision to sue one outside producer who he claimed had not provided adequate financial information on his costs. It emerged that France Télévision had also provided interest-free loans to the producer, Mr Jean-Luc Delarue. A Paris court has since rejected his demand.

Mr Elkabbach inflamed the debate further in the past few days by abruptly sacking two of his closest aides.

## THE LEX COLUMN

### Part exchange

The merger of Lucas and Varity

should turn out to be a top hit. The combination of two essentially regional companies will produce one truly global motor components supplier with sales of \$4.4bn - big enough to be in the top 10 worldwide in an industry where size really matters. The strategic fit is as good as the geographic one: LucasVarity will be world number two in brakes after Bosch, with an enhanced capability to make complex braking systems; Varity's Perkins diesel engine business will start sourcing diesel injection systems from Lucas; and there will be synergies from enhanced purchasing and distribution.

These overlaps have allowed management to promise \$130m in cost and tax savings. Coupled with the aggressive expansion planned at Varity itself, analysts expect the merger to enhance earnings per share by over 20 per cent within two years. The enlarged group will also have a much stronger balance sheet than Lucas on its own, allowing it to hang on to the UK group's aerospace division. Longer term, aerospace and even Perkins could be sold to fund further expansion in core areas such as automotive electronics.

There is still a danger that a hostile bidder could disrupt the merger, though it would find it very difficult to match the industrial logic.

The greater worry is that this is an industry where cost savings tend to be rapidly competed away. Much depends therefore on how quickly Mr Victor Rice, the new chief executive, can knock the two companies together. At Lucas, in particular, there is a huge opportunity to improve margins and cash generation - but its culture has proved remarkably resistant to change.

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